

# SULLIVAN COUNTY

## NEW HAMPSHIRE

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ANNUAL REPORT  
FOR THE FISCAL YEAR  
ENDING JUNE 30, 2014



**SULLIVAN COUNTY, NEW HAMPSHIRE**  
**FY14 ANNUAL REPORT**

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**On the Cover**

Top photo: Marshall Pond, Unity  
Bottom Photo: Unity Mountain, looking west

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**DEDICATION**

**THIS ANNUAL REPORT IS DEDICATED TO THREE LONG-SERVING  
EMPLOYEES WHO RETIRED AT THE END OF 2014:**



**Michael L. Prozzo, Jr.  
High Sheriff  
1994-2014**

After retiring as police chief from the City of Claremont, Michael Prozzo was elected as the Sullivan County High Sheriff in 1994, and was reelected another nine times in uncontested races for a total of 20 years of service as sheriff and 44 total years in law enforcement.

During his tenure, Sheriff Prozzo increased the County's role in the NH Drug Task Force and expanded the role of the Sheriff's Department to provide law enforcement for the Sullivan County communities of Lempster and Unity, at a cost savings to both the towns and the County.

In writing about his retirement, the Valley News reported that during Sheriff's Prozzo's tenure, the department received about \$2 million in grants that covered the cost of equipment and personnel for targeted enforcement programs such as the Drug Task Force, highway safety, and underage drinking.



**Sharron King  
Registrar of Deeds  
1984-2014**

Sharron King was elected as the Sullivan County Registrar of Deeds in 1984 after serving under the previous registrar, Zella Eastman Laforge.

Upon her retirement, King told the Eagle Times that the Registry of Deeds has advanced a long way over the course of her 30-year career: "We have gone from manually typing the records to digitized records, quick and easy access by the Internet and less than a 24-hour turnaround time for returning documents back to the public. Towns also have a quicker access to their transfers so that they can update their records with the most current information about ownership and purchase price."



**Sherrie Curtis  
Human Services Administrator  
1980-2014**

Human Services is "the responsibility of the County to pay for programs mandated by the State of NH for youth, elderly, disabled, who are unable to afford the high costs of services." Sherrie worked many years as full-time County welfare agent and part time/per diem as a LNA for the Nursing Home. The kindness that Sherrie showed to her residents at the Nursing Home has always been impressive. Sherrie is a kind, gentle soul, who is compassionate about her job.

Sherrie worked with children and families that received services that were court-ordered, of which Sullivan County paid 25%. Sherrie oversaw the Incentive Funds, where the County received money from the state to run prevention programs.

As times changed so did some of Sherrie's duties. At one point she was brought to help with the insurance billings in the Commissioner's Office. Any job that was expected of Sherrie, she tackled and accomplished with ease and always a little fun too!

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**NHAC 2013 COUNTY AWARDS**

Every year the New Hampshire Association of Counties honors individuals for their service to county government and the citizens of their communities. Individuals are nominated by their peers and are selected by the NHAC Awards Committee.

**Nursing Home Employee of the Year: Michael ‘Mike’ Marcotte  
Human Services Administrator of the Year: Sharon ‘Sherrie’ Curtis**



*From left: Ted Purdy, Nursing Home Administrator; Mike Marcotte; Sherrie Curtis; and Commissioners Jeff Barrette and Ben Nelson*

**County Employee of the Year: Dodi Violette**



*From left: Commissioner Jeff Barrette; Dodi Violette; and Commissioner Ben Nelson*

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**SULLIVAN COUNTY DELEGATION**  
**2013-2014**

John Cloutier, Chair Executive Finance Committee, <i>ex officio</i>	District 10: Claremont Wards 1, 2 & 3
Cynthia Page Sweeney, Delegation Vice Chair Nursing Home Trust Fund Committee	District 8: Charlestown
Andy Schmidt, Delegation Clerk Executive Finance Committee	District 1: Cornish, Grantham, Plainfield and Springfield
Sue Gottling Executive Finance Committee, Chair	District 2: Croydon and Sunapee
Raymond Gagnon Executive Finance Committee	District 5: Claremont Ward 3
Jim Grenier Executive Finance Committee Conservation District	District 7: Acworth, Goshen, Langdon, Lempster, and Washington
Virginia Irwin Executive Finance Committee	District 6: Newport and Unity
Benjamin Lefebvre	District 1: Cornish, Grantham, Plainfield and Springfield
Andrew Scott O’Hearne Criminal Justice Coordinating Committee	District 3: Claremont Ward 1
Philip “Joe” Osgood	District 4: Claremont Ward 2
Skip Rollins	District 6: Newport and Unity
Steven Smith	District 11: Acworth, Charlestown, Goshen, Langdon, Lempster, and Washington
Linda Tanner	District 9: Cornish, Croydon, Grantham, Newport, Plainfield, Springfield, Sunapee and Unity

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**COUNTY DELEGATION MEETINGS**

During FY14, meetings were held on the dates below. Minutes of these meetings are available on-line or from the Commissioners' Office.

July 16, 2013	Full Delegation 8:30 AM Location: Newport
Aug 8, 2013	Full Delegation 7:00 PM Location: Unity, Public Hearing
Aug 13, 2013	Full Delegation 8:30 AM Location: Newport
Nov 5, 2013	Full Delegation 6:00 PM Location: Claremont
Dec 9, 2013	Executive Finance Committee (EFC) 8:45 AM Location: Newport
Mar 12, 2014	Full Delegation 12:00 PM Location: Concord
Apr 11, 2014	EFC 8:30 AM Location: Newport
May 12, 2014	EFC 8:30 AM Location: Newport
May 19, 2014	EFC 11:00 AM Location: Unity
May 29, 2014	Full Delegation 6:00 PM Location: Newport
May 30, 2014	EFC 8:30 AM Location: Newport
June 9, 2014	Full Delegation 6:30 PM Location: Claremont, Public Hearing
June 10, 2014	EFC 9:00 AM Location: Newport
June 24, 2014	Full Delegation 6:00 PM Location: Newport, Annual Convention



*From left: Representatives Linda Tanner and Suzanne Gottling and State Senator David Pierce attend the ribbon cutting ceremony for the Unity biomass plant on April 21, 2014.*

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**OTHER ELECTED OFFICIALS**

**Board of Commissioners**

**Jeffrey Barrette, Chair**

District 1: Claremont & Cornish  
*Serving four-year term expiring 1/1/2019*

**Bennie C. Nelson, Vice Chair**

District 2: Croydon, Grantham, Newport, Plainfield & Springfield  
*Serving two-year term expiring 1/3/2017*

**Ethel Jarvis, Clerk**

District 3: Acworth, Charlestown, Goshen, Langdon, Lempster, Sunapee, Unity, & Washington  
*Serving four-year term expiring 1/3/2017*

14 Main Street, Suite 1  
Newport NH 03773-1548  
Tel. 603.863-2560  
Fax. 603.863-9314  
*commissioners@sullivancountynh.gov*

**High Sheriff**

**John P. Simonds**

*Serving two-year term expiring 1/3/2017*  
Michael L. Prozzo, Jr. (*retired 1/6/15*)  
Chief Deputy/Captain: Jeremy Wilson

14 Main Street, Suite 2  
PO Box 27  
Newport NH 03773-0027  
Tel. 603.863-4200  
Fax. 603.863-0012  
*jsimonds@sullivancountynh.gov*



*Retired Sheriff Michael Prozzo (left) and then-Chief Deputy John Simonds*

**County Attorney**

**Marc Hathaway**

*Serving two-year term expiring 1/3/2017*  
Assistant Attorneys: Justin Hersh, Felix Tarango  
Victim/Witness Coordinator: Cindy Vezina

14 Main Street, Suite 4  
Newport NH 03773-1548  
Tel. 603.863-7950/9365  
Fax. 603.863-0015  
*mhathaway@sullivancountynh.gov*

**Registry of Deeds**

**Chaunee Baker, Registrar**

*Serving two-year term expiring 1/3/2017*  
Sharron King, Registrar (*retired 1/6/15*)  
Deputy Registrar: Janet Gibson

14 Main Street, Suite 3  
PO Box 448  
Newport NH 03773-0448  
Tel. 603.863-2110  
Fax. 603.863-0013  
*cbaker@sullivancountynh.gov*

**County Treasurer**

**C. Michael Sanderson**

*Serving two-year term expiring 1/3/2017*  
Deputy Treasurer: Peter Lovely  
*Appointed Per RSA 29:15*

14 Main Street, Suite 1  
Newport NH 03773-1548  
Tel. 603.863-2560  
Fax. 603.863-9314

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**APPOINTED OFFICIALS**

**County Manager**

Jessie Levine  
Greg Chanis (7/29/2008 - 8/22/2013)

14 Main Street, Suite 1  
Newport NH 03773-1548  
Tel. 603.863-2560 Ext. 101  
Fax. 603.863-9314  
[jlevine@sullivancountynh.gov](mailto:jlevine@sullivancountynh.gov)

**Sullivan County Health Care (Nursing Home)**

Ted Purdy, Administrator  
Patti Henderson, Director of Nursing  
5 Nursing Home Drive  
Unity NH 03743-7344  
Tel. 603.542-9511 Ext. 217  
Fax. 603.542-9214  
[tpurdy@sullivancountynh.gov](mailto:tpurdy@sullivancountynh.gov)

**Human Services**

Ted Purdy, Administrator  
Sherrie Curtis, Coordinator (*Retired 12/31/2014*)

**Human Resources**

Jane Jontz, Director  
Norm O'Neil, Interim Director (8/2014-6/2015)  
Peter Farrand, Director (*Retired 7/18/2014*)  
5 Nursing Home Drive  
Unity NH 03743-7344  
Tel. 603.542-9511 Ext. 286 or 216  
Fax. 603.542-9214  
[humanresources@sullivancountynh.gov](mailto:humanresources@sullivancountynh.gov)

**Department of Corrections**

Dave Berry, Superintendent  
Ross L. Cunningham, Superintendent (8/2007-10/2014)

103 County Farm Road  
Claremont NH 03743-7302  
Tel. 603.542-8717  
Fax. 603.542-0239  
[doc@sullivancountynh.gov](mailto:doc@sullivancountynh.gov)

**Natural Resources and Conservation District**

Lionel Chute, Natural Resources Director  
95 County Farm Road  
Unity NH 03743-7344  
Tel. 603.542-4891 Ext. 326  
Fax. 603.542-2829  
[lchute@sullivancountynh.gov](mailto:lchute@sullivancountynh.gov)

Board of Supervisors:  
David Grobe, Chair, Plainfield  
Robert Porter, V. Chair, Claremont  
John Luther, Treasurer, Acworth  
Cornelia Sargent, Claremont  
Duncan McCutchan, Claremont  
Associate Supervisor: Jared Johnson (Sunapee)

**Facilities & Operations**

John Cressy, Director of Facilities  
Steven Arsenault, Foreman

5 Nursing Home Drive  
Unity NH 03743-7344  
Tel. 603.542-9511 Ext. 230  
Fax. 603.542-2829  
[jcressy@sullivancountynh.gov](mailto:jcressy@sullivancountynh.gov)

**UNH Cooperative Extension**

Seth Wilner, County Office Administrator

24 Main Street  
Newport NH 03773-1515  
Tel. 603.863-9200 Ext. 154  
Fax. 603.863-4730  
[www.ceinfo.unh.edu](http://www.ceinfo.unh.edu)

UNHCE Educators:  
Food and Agriculture: Seth Wilner  
Natural Resources: Dode Gladders  
4-H Youth Development: Robin Luther  
Youth and Family Development: Gail Kennedy  
Food & Nutrition: Sandy Trybulski

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**STATE & DISTRICT COURTS**

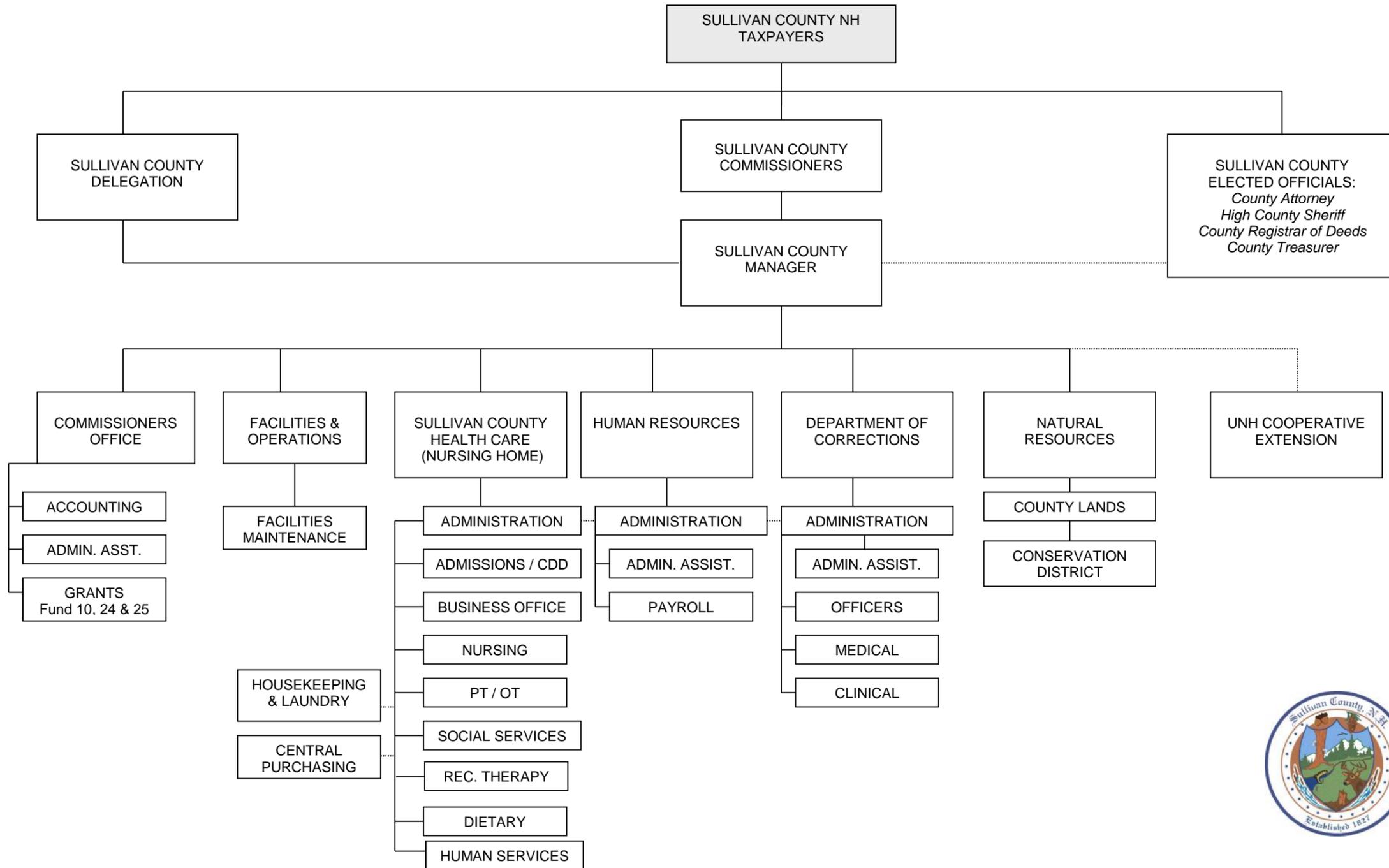
Superior Court, Sullivan County  
22 Main Street  
Newport NH 03773  
Tel. 603.863-3450

Probate Court, Sullivan County  
14 Main Street, Suite 5  
Newport NH 03773  
Tel. 1.855.212-1234

Claremont District & Family Court, Sullivan County  
PO Box 313  
Claremont NH 03743  
Tel. 1.855.212-1234

Newport District & Family Court, Sullivan County  
55 Main Street  
Newport NH 03773  
Tel. 1.855.212-1234

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## **ABOUT SULLIVAN COUNTY...**

Sullivan County is located in west central New Hampshire. The county was named after Brigadier General John Sullivan, a Revolutionary war hero. Sullivan County had been part of Cheshire County until July 5, 1827, when Sullivan County came into being and established its own recording site in Newport, still the county seat.

The county comprises 528 square miles and includes the City of Claremont and 14 towns: Acworth, Charlestown, Cornish, Croydon, Goshen, Grantham, Langdon, Lempster, Newport, Plainfield, Springfield, Sunapee, Unity, and Washington. According to the US census, the estimated population of Sullivan County in 2014 was 43,103.

Sullivan County employs 286 employees (part and full time, effective 7-31-14). The majority of the employees are employed at the Sullivan County Health Care in Unity, followed by Department of Corrections.

The County owns approximately 2,100 acres of land, which includes, in Newport, the Remington B. Woodhull County complex and the Records Building, the municipal parking lot at the corner of Sunapee and Main Streets, and in Unity, the Sullivan County Health Care buildings, Department of Corrections, and several out buildings, along with many acres of farm and woodlands.

## **COUNTY GOVERNMENT**

The Legislative Branch (Legislative Body) is the County Delegation, which consists of the 13 legislators elected from Sullivan County to the NH House of Representatives. The role of the County Delegation is to approve the necessary funds to operate the County and to make any other long-term decisions related to the purchase and sale of land or encumbrance of debt. The Delegation Executive Finance Committee reviews the Commissioners' proposed fiscal year budget, then submits the budget with any modifications to the full County Delegation that votes on the funds, typically in late June for the July 1 fiscal year.

The Executive Branch (Governing Body) consists of three elected Commissioners in rotating terms, with two elected every two years and the third every four years. The three Commission districts are:

District 1: Cornish and Claremont

District 2: Croydon, Grantham, Newport, Plainfield and Springfield

District 3: Acworth, Charlestown, Goshen, Langdon, Lempster, Sunapee, Unity and Washington

The Board of Commissioners duties are mandated by NH RSA 28. The Commissioners are part-time elected officials responsible for overall supervision of County departments, buildings and land, and budgetary oversight over all County expenditures. The Board of Commissioners currently convenes for its business meetings on the first and third Monday of each month. The first Monday meeting is held in Newport, at the Commissioners' Office Conference Room, while the third Monday meeting is held in Unity, at the Sullivan County Health Care facility Frank Smith Living Room.

Public meeting minutes for both the Delegation and Commissioners' may be viewed at the Commissioners' Office in Newport or on-line.

## **COUNTY DEPARTMENTS**

**Commissioners Office:** The Commissioner's Office is located on Main Street in Newport, the County seat. This is the primary office for the Board of Commissioners and currently has three employees -- an Accounts Payable Clerk, an Administrative Assistant, and a Secretary/Receptionist -- who perform a number of duties that include coordinating meetings among officials and public, preparing budgetary reports for Department Heads and Auditors, accounts payable & receivable, monitoring grants as the fiscal agent, and maintaining records.

**County Manager:** The County Manager serves as the Commissioners' agent for the financial and administrative management of Sullivan County. The Manager oversees and coordinates the business,

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fiscal, purchasing and human resources activities of the following departments and functions: Sullivan County Health Care, Department of Corrections, Commissioners' Office, Facilities & Operations, Human Resources, Communications and Information Technology, Cooperative Extension, and Natural Resources.

**County Treasurer:** The Treasurer is a two-year elected term receiving its authorization from the NH Constitution. The position is part-time with duties mandated by NH RSA Chapter 29 that include the accounting of all monies belonging to the County.

**Registry of Deeds:** The Registrar is a two-year elected position receiving its authorization from NH Constitution, Part 2, Articles 71 & 72. Duties of the Registrar include recording, reproducing and indexing legal documents pertaining to real estate, reporting transfers of property to cities and towns, and maintaining property records dating back to 1827. The Registry records an average of 35-50 documents per day, with people receiving service in person or through the Registry's website <http://www.nhdeeds.com>. Along with the elected Registrar, the Registry of Deeds employs a Deputy Registrar and two full time clerks.

**Sheriff's Office:** The Sheriff's Office receives its authorization from NH Constitution, Part 2, Article 71, and from RSA chapter 104:6. Along with the High Sheriff (two-year elected term), there department has a Chief Deputy, three full-time and five part-time deputies, three bailiffs, a full-time Administrative Assistant (also a Special Deputy) and a part-time Secretary. In New Hampshire, the Sheriff's authority reaches throughout the State, sharing jurisdiction with local law enforcement agencies. Some of their duties include rural patrols, criminal investigations, support of local law enforcement, vehicle escorts, transport of inmates or juveniles, involuntary emergency admissions, prisoner control, civil process, Superior & Family Court warrants, and extraditions.

**Attorney's Office:** The County Attorney is a constitutionally elected official (two-year term) and the chief law enforcement officer in the County. The County Attorney is responsible for prosecution of felonies in the superior court and misdemeanor

appeals from the district courts and works in conjunction with the State Attorney General, Sheriff, NH State Police and local police departments. In addition, the County Attorney represents the County in civil matters involving the departments or agents of the county and works with the medical referee in cases of untimely deaths.

The County Attorney's Office currently employs two Assistant Attorneys and three full-time administrative staff. The office also supervises the coordinator of the Victim Witness Program, which was created to ensure that the rights of the victim are protected, reducing the impact that crime and resulting involvement in the criminal justice system has on the lives of victims and witnesses.

**Sullivan County Health Care:** Sullivan County Health Care, with 158 beds, employs approximately 220 full- and part-time staff and provides both skilled and intermediate levels of care for its residents, as well as physical, occupational and speech therapy services. The facility assists in applying for nursing home assistance. Along with the MacConnell Unit, which was built specifically to meet the needs of the resident with dementia, the home also helps with respite care, allowing someone to take time off from caring for a family member at home.

**Human Services:** The Human Services Department is responsible for reimbursing the State of New Hampshire for services provided to the elderly, disabled and nursing home residents under NH RSA 167. The county is responsible for 50% of the cost of residents living in nursing homes or in their own home and eligible for Home and Community Based Care (HCBC).

**Department of Corrections:** The Department of Corrections, with over 50 full-time employees, operates essentially two facilities within one with a total of approximately 100 inmates daily. The County jail holds pretrial males and females awaiting sentencing to either the County jail or to NH State Prison. Their classifications range from minimum to maximum security. It also holds males and females who have been sentenced to terms of 1 year or less on felony and misdemeanor crimes. The Community Corrections Center is a 72-bed unit serving male and female inmates who are participating in the

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Transitional Reentry and Inmate Life Skills (TRAILS) program, work release, electronic monitoring home confinement, and County complex workers.

Community Corrections is also responsible for overseeing the Pretrial Services Program and Community Services work crews.

**Natural Resources & Conservation District:** The Sullivan County Conservation District is a subdivision of state government established in 1946 under NH RSA Chapter 432. The Conservation District is a branch of county government and funded through the County budget. District programs are administered under the direction of an all-volunteer Board of Supervisors who must be residents of the County. Among the many services provided are educational outreach, soil interpretation and capability information, assistance with the preparation of NH Wetland Permit Applications, calculation of Soil Potential Indexes for Farmland in Current Use, and sales of native trees and shrubs in the spring. The Conservation District also provides technical assistance for the installation of conservation practices in partnership with USDA Natural Resources Conservation Service through the many Farm Bill cost share programs. The conservation districts act as a link between federal and state agencies and landowners for conservation of soil and water resources.

In July 2013, the part-time Conservation District Director was made full-time, with the job description expanded to include County Natural Resources. In that role, the Natural Resources Director is responsible for the management of County lands, including forestry, agriculture, and landscaping. The goal of the Natural Resources department is to maximize use of the land for sustainability and public benefit.

**UNH Cooperative Extension:** In partnership with Sullivan County, the State of New Hampshire and the Federal Government, UNH Cooperative Extension provides practical, research-based education and information to people of all ages in Sullivan County. Sullivan County Extension educators in agriculture, community economic development, youth and family development, natural resources, food and nutrition,

and 4-H Youth Development, advised by a local advisory council, work together to strengthen the local economy, enhance the environment, develop human potential, and strengthen families and communities. Activities include one-on-one technical assistance, group workshops and programs, volunteer support, and web-based and printed information including fact sheets, newsletters and updates on timely topics.

The County subsidizes a portion of Cooperative Extension through the use of one of its buildings, extension educator travel and expenses, payroll for two full-time and one part-time staff, and through grants.



*Facilities Director John Cressy welcomes attendees to the ribbon cutting ceremony for the biomass plant (flanked by County Commissioners Bennie Nelson, left, and Jeff Barrette, right).*

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**ANNUAL REPORTS**

**SULLIVAN COUNTY COMMISSIONERS**



*From left: Jeffrey Barrette, Ethel Jarvis, Bennie Nelson*

It has been said that the only thing constant is change. Fiscal Year 2014, in that case, was a year of constant change for Sullivan County. As the fiscal year started, the Commissioners learned that Greg Chanis, who had served as County Manager since 2007 (and Facilities Director before that), would be leaving for warmer climates in July.

Greg left the County in much better shape than he found it: under his tenure, the County emerged from a \$3 million deficit and now has a fund balance above \$5 million. Under Greg's leadership, the County reviewed its needs and resources on the Unity campus and pursued a plan to remove unused buildings and build a Community Corrections Center to house a progressive rehabilitation program at the Department of Corrections. Greg was also instrumental in the

design and construction of a biomass plant that provides Unity operations with steam heat and power using local, renewable fuel and saving taxpayers millions of dollars into the future.

In the fall of 2013, the County Commission recommended and the Delegation approved the purchase of 600 acres of land in Unity abutting the Unity campus and fully containing Marshall Pond, the County's fire protection water supply. This purchase of \$298,000 was funded out of the County's fund balance reserves and protects the water supply for the foreseeable future. The land also offers gorgeous western views and forest management opportunities and the County's Natural Resources Director, Lionel Chute (a position created in 2013 that can also be credited to Greg's foresight), will be leading a discussion with the Board of Commissioners and other stakeholders about increasing public access to and optimizing use of this and other County properties.

Upon Greg's departure, the Commissioners embarked on a search process for the next County Manager, culminating in November 2013 when the Commission announced the hiring of Jessie Levine, a long-time resident of Sullivan County and former town administrator in New London and town manager of Bedford. Jessie started in January 2014 and hit the ground running in preparation for the FY15 County budget, as well as joining negotiations already under way with the County's employee union, AFSCME, which represents nursing and ancillary staff at Sullivan County Health Care.

Bolstered by the Union's agreement during negotiations, the County Commissioners voted to adopt a new health plan that lowered the County's health insurance expenses by over \$800,000 and significantly reduced the employee share of health costs as well, putting as much as \$3600 back in employees' take-home pay. In addition, the new health plan addressed the County's exposure to affordability and excise tax penalties under the Affordable Care Act.

The new health plan also helped the Board of Commissioners bring forward a FY15 budget that contained less than a one percent increase in property taxes (an increase that was subsequently eliminated by the Delegation's use of fund balance to offset any potential property tax increase).

The Commission and County Manager undertook a vision and goal-setting process in February 2014 and had accomplished a number of its goals by year-end, including the hiring of a new Information Technology consultant to develop and implement a county-wide IT plan and the expansion of public access to Commission meetings by

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having them videotaped and aired on local cable access stations and on the County's website. The Commission's goal-setting and review process will become an annual event and has already been used to guide department projects and budgeting priorities.

The Sullivan County Board of Commissioners and County Manager commend the leadership of the departments that you will read about in these pages, and expresses its appreciation for the hundreds of employees who make Sullivan County the successful community that it is. The Commission also thanks the Delegation for its collaborative and cooperative approach to decision-making, a quality that few New Hampshire counties seem to have these days.

Respectfully Submitted,  
*Sullivan County Board of Commissioners*  
*Jeffrey Barrette, Chair*  
*Bennie Nelson, Vice Chair*  
*Ethel Jarvis, Clerk*

*The Commissioners cut the ribbon for  
the biomass plant on April 21, 2014.*



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**COUNTY ATTORNEY**

The past year was a busy one for the Sullivan County Attorney's Office. In addition to the work in the Superior Court, we continue to work closely with area law enforcement by providing legal advice in criminal investigations and prosecution services in the District Court, as circumstances require.

The prosecution functions of the office remain in good hands with Assistant County Attorney Justin Hersh, who continues to be a true asset to the office with a solid skill set and strong work ethic. After nine years with the Sullivan County Attorney's Office and more than 20 in criminal prosecution, we bid a fond farewell to Assistant County Attorney David Park. We wish him exciting new adventures and many enjoyable years in retirement.

Office Administrator Melanie O'Sullivan and her capable assistants Debra Searles and Sherry Waters continue to serve as the backbone of our office. They do a superb job of managing the huge volume of paper and information processed by our office while always presenting a friendly and professional image. The prosecutorial responsibilities of the office are made easier by the competent and compassionate work of our Victim/Witness Coordinator, Cynthia Vezina. More important, however, is that Ms. Vezina's efforts insure that the concerns and

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questions of those involved in the criminal justice system as victims and/or witnesses are addressed promptly and professionally. Ms. Vezina plays a major role in our continued commitment to the victims of violent crimes.

In 2006, we saw the birth of the Grafton-Sullivan County Child Advocacy Center (CAC), which was the end result of several years of planning, coordinating and grant writing. The CAC is designed to serve and protect abused and neglected children in Sullivan and Grafton Counties through the collaborative actions of a multi-disciplinary team of community professionals including law enforcement, prosecution, child protection, health care and victim/crisis support services. The CAC has offices in Claremont and Lebanon and has proven its value under the competent direction of Cathy Bean, who is an exceptional CAC Coordinator. Until his retirement, David Park was this office's liaison to the CAC and worked closely with law enforcement and victims in a number of successful prosecutions in CAC involved cases. In his absence, our office will continue this endeavor.

Substance abuse remains a major threat to the safety of our community. Heroin, Crack Cocaine, Cocaine and abused prescription drugs continue to play a prominent role in the majority of our criminal cases. The continued efforts of law enforcement, coupled with effective prosecution and sentences that recognize the need for both punishment and treatment, remain the most effective response to this problem.

The substance abuse problem and its link to criminal activity was confirmed by the April 2007 Jail Facility Needs Assessment conducted by Ricci Green Associates. The Sullivan County Attorney's Office continues to remain an active participant in the Sullivan County Criminal Justice Committee and the evolution of the much needed Community Corrections Center. Since the opening of the Community Corrections Center in 2010, we have seen the sentencing model – the sanction of a jail sentence coupled with treatment and followed by reintegration into the community – at work. The results are encouraging. The long term benefit to the community, the offender and the taxpayer by aggressively targeting substance abuse issues in our community cannot be under-estimated.

In closing, I would like to thank the citizens of Sullivan County, the County Commissioners and the members of the Sullivan County Delegation for their continued support. My entire staff and I are proud to work for and with you for a better Sullivan County.

Respectfully Submitted,  
*Marc B. Hathaway*  
*Sullivan County Attorney*



*County Attorney Marc Hathaway (Valley News photo)*

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**HIGH SHERIFF**

To the Honorable Commissioners of Sullivan County:

The goal of the Sheriff's Office has always been to maintain quality service for the residents of Sullivan County, while working within our budget. We have again seen a surplus for this fiscal year, however for the first time our revenue was down \$4,700 this year. This shortfall in revenue was due to serving less civil process.

We continue to serve the Towns of Lempster and Unity, providing police coverage, and strive to maintain a close relationship with both towns.

We have again received a grant from Highway Safety. That grant funds our Radar and Safe Commute Patrols. The state has continued the Underage Alcohol Task Force Grant and we will continue to work with area police departments and Liquor Enforcement. We continue to be a member of and support the Attorney General's Drug Task Force, which assists in drug investigations. Over the course of the year members of the Drug Task Force conducted 255 drug investigations in 22 cities and towns in the western region of New Hampshire, including 163 undercover and controlled drug purchases, 56 felony arrests and 20 searches, including 17 search warrants. The team also seized 2 firearms and \$19,927 in US currency.

I would like to congratulate John Simonds as the next Sheriff of Sullivan County and wish him the best of luck in his career.

Respectfully submitted,  
*Michael L. Prozzo, Jr.*  
*High Sheriff*

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**DEPARTMENT OF CORRECTIONS**

The Department of Corrections has continued to carry out its mission over this past year with great success. I'm proud of all staff and community partners for their efforts for a safer environment and community. The DOC collaborates with the following agencies to provide program services for our inmate population: West Central Behavioral Health, Turning Points, and UNH Cooperative Extension. SCDOC would also like to recognize all of the law enforcement agencies working with us on a daily basis to achieve these successes. It is truly a team effort.

We continue to receive support from grants for programming and training for both staff and inmates. These funds are used to support the TRAILS (Transitional Re-entry and Inmate Life Skills) program at the Community Corrections Center. In FY14, grant funding from the Bureau of Justice Office of Justice Programs Second Chance Act Family Based Substance Abuse Treatment Initiative and the Department of Justice State of NH Residential Substance Abuse Treatment (RSAT) were used to provide clinical and case management services to inmates participating in in-house and off site aftercare treatment and to ensure that all inmates are followed from the time of incarceration until release and are provided with the information to obtain community support and services upon release along with assistance to apply for benefits/services for the best possible integration back to the community.

We continue to receive both local and national recognition for our department's efforts. During the 2013/2014 year, staff and officials from other departments toured this facility to review our evidence based programming and our building design. We have had visits from as far away as Franklin County, TN. I was asked to present on the TRAILS program this past year at the Bureau of Justice Second Chance Conference in Washington DC.

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Our successes can be attributed to all levels of the Department of Corrections achieving a common purpose through hard work, dedication to fostering rehabilitation and a willingness to be different in our approach.



The Community Corrections Center TRAILS Program is a residential treatment center for men and women addressing cognitive behavioral treatment for criminal and addictive thinking. The goal of the program is to offer the tools the inmate needs for sustained recovery after release from the facility. Along with improving upon existing services within the 90 day intensive alcohol/drug and co-occurring treatment TRAILS program, Sullivan County DOC oversees the new Community Intervention Program (CIP) that began on July 8, 2013. Since then we have logged about 100 hours of CIP programming in the community at our off-site location within the West Central Services offices in Claremont. Eight individuals have been sentenced to CIP with three successful completions to date.

Our clinical staff members conduct approximately five weekly aftercare sessions for a total of 250 aftercare meetings per year. In addition, there are approximately 150 hours of individual counseling sessions provided to CIP and Aftercare participants in the community.

In an effort to provide the best possible programming to inmates, clinical and case management staff attended best practices training in the following areas: Trauma and Addiction: Implications for Treatment, Trauma & Internal Family Systems Therapy, Trauma - self injury, attachment, gender issues and crossroads, DSM 5, ASAM Criteria for Addictive Disorders, Thinking for a Change, HIV Trends & Treatment, Ethics & Boundaries in the Clinical Process, the Power of Story & its Role in Addiction Recovery, New England School of Best Practices in Addiction Studies.

UNH Cooperative Extension conducted Parenting Classes, 4-H Life Family meetings, and Managing Money Wisely for both male and female TRAILS participants. Turning Points provided education on domestic violence, surviving personal violence, community resources and staying safe education to both male and female participants of TRAILS. Dartmouth College students worked with TRAILS women participants to perform "Telling My Story." We also hosted a speaker who suffered the loss of her daughter killed by a drunk driver who presented on the victim's perspective and received a classical performance by Dobbs titled "Bach with Verse."

We were fortunate to have two interns, one focused on wellness and addiction and the other conducted a focus group along with facilitating a book club with discussion of the reading material. Our Christmas donation response was overwhelming with each of the children leaving with a minimum of three presents.

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**Average Daily Population**

All Inmates	100
Females	22
Males	78

**Inmate Population Data**

Town	# incarcerated	Town	# incarcerated
Acworth	1	Plainfield	6
Charlestown	28	Sunapee	9
Claremont	176	Unity	9
Cornish	3	Washington	2
Croydon	8	Langdon	3
Goshen	1	Lempster	8
Grantham	4	Newport	100
Springfield	3		
<b>Total county inmates held</b>			<b>361</b>
<b>Total non-county inmates held</b>			<b>131</b>

**Community Corrections Trails Program**

Number of inmates who completed the TRAILS Program	39
Track I Males/Females	19/13
Track II Males/Females	6/1
Number of inmates who participated in the Work Release Program	20
Number of inmates who participated in the Work Search Program	42
Number of inmates supervised on Electronic Monitoring	15
Number of inmates supervised on Pre-Trial Services	62
Number of inmates on Community Intervention Program (CIP)	4/2

**Types of Crimes**

Resist Arrest/Obstruction	28	<b>Total Inmates Booked</b>	634
Capias Warrant	19	Females	148
Violation Parole	19	Males	486
Violation Probation	89	Medical Transports	53
Theft/Robbery/Property	89	Incident Reports Written	1744
Bench Warrant (not FTD)	61	Drug Testing Conducted	2593
Alcohol Related	6	Aftercare	723
Drug Related	50	Probation	232
Motor Vehicle Related	58	Trails Program	364
Protective Custody	109	Electronic Monitoring	466
Violation of Protective Order	33	Pre-Trial Services	532
Assaults	46	Jail	215
Sexual Assault	14	CIP	61
Breach Bail Conditions	28		
Criminal Trespass/Criminal Mischief	25		
Other	59		

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**Community Service Details**

<b>Month</b>	<b>Provided To:</b>	<b>Total hours</b>
Jul-13	Town of Goshen, Sullivan Cty Maint, Roadside Cleanup	12
Aug-13	Commissioners Office, Cornish Fair, Goshen School, Newport Church, City of Claremont	200
Sep-13	NH DOT, Town of Goshen	36
Oct-13	NH DOT roadside cleanup	28
Nov-13		0
Dec-13	Town of Charlestown, City of Claremont, Sheriff's Dept	36
Jan-14	Town of Newport, City of Claremont, Sheriff's Dept	53
Apr-14	Roadside Cleanup, Town of Springfield	49
May-14	Sheriff's Dept, City of Claremont, Sunapee Transfer, Claremont Parks and Recreation	61
Jun-14	Town of Goshen, Town of Washington	58
FY2014	Inmate work hours for Nursing Home Kitchen, Nursing Home/DOC Laundry, Nursing Home Maintenance, and Grounds	25,056
FY2014	DOC Inmate Garden Project harvested 2194 lbs of vegetables that were given to: Claremont Soup Kitchen, Newport Senior Center, Helping Hands, Trinity Church Claremont	

Respectfully Submitted,  
*Ross L. Cunningham, Superintendent*

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**FACILITIES DEPARTMENT**

Fiscal Year 2014 was a year of challenge and success for the Facilities Department. Most notably is that the Biomass steam plant in Unity came on line just in time for the worst of the winter. Operational startups of this magnitude are not without their glitches but all systems in the Biomass building ran reliably and efficiently. We overcame some of the lingering construction issues and closed out the four months of winter some \$100,000 to the good in fuel costs. It took a bit longer to complete the associated systems in the Nursing Home and as of the end of FY '14 those are all running and the last few items were being completed. The main piece of equipment in the Nursing Home is the steam-powered, electric generating turbine. We've had some control problems with it but with the contractors seem to have those resolved as well.

The second large project brought to completion is the addition of a new bed rock water well. This was installed in the upper field away from the buildings and in a separate aquifer. This new well and building have more than doubled our water pumping capacity and are the source of great relief for those of us who pay attention to these things as it brings the Unity campus much needed security in the event of a water problem.

In Newport, new windows were installed in the Commissioners' office and the replacement of some failed heating equipment was completed.

By far the biggest part of Facilities' responsibilities is to maintain all properties in a safe, reliable and aesthetically pleasing manner. To this end our first rate maintenance crew maintains all of the facilities in Unity and Newport 24/7, 365 days a year. An average of 2500 work orders are completed and processed each year as well as an estimated three times that many undocumented projects and repairs.

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*Scott Morse of the Facilities Department explains the biomass controls during the ribbon cutting/open house event in April 2014.*

I would like to take this opportunity to thank the Board of Commissioners and the Sullivan County Delegation for their continued support and vision toward our goals. Without their support we would not have made the progress we've made and would not be in the favorable position we find ourselves in. There is always more to do on the horizon and to that end a Capital Improvements Plan is being developed with the guidance and help from County Manager Jessie Levine.

I also want to acknowledge the Facilities team whose tireless and professional efforts make such a difference to every aspect life at Sullivan County. Thank you to Steve Arsenault, Pat Barrette, Brad Bennett, Alan Pinders, Roland Fournier, Kevin Clark, Scott Morse, Steve Valli, and Curt Morse.

We all look forward to fiscal year 2015 and all that it brings.

Respectfully Submitted,  
*John Cressy*  
*Facilities & Operations Director*

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**SULLIVAN COUNTY HEALTH CARE**

In FY14, the overall census for Sullivan County Health Care decreased slightly with an average census of approximately 134 residents per day. This represents an 86% occupancy. During the year the Health Care Center served 189 residents and patients. Forty-two percent (42%) of those admitted during the year returned home after successful rehabilitation and nursing intervention. During the budget process for FY15, an appropriation for a feasibility study was approved. This study should provide the County with valuable market insight to help determine the census, services and environment of the nursing home in future years.

Michael Marcotte, our Housekeeping/Laundry Supervisor, was recognized as the SCHC Nursing Home Employee of the Year at the October New Hampshire Association of Counties Conference in Whitefield, NH.

We made a major investment in electronic medical records during the fiscal year. With the purchase of software and laptops for the medication carts we essentially completed the implementation of electronic charting and orders administration. The electronic medical records provide some efficiency in documentation and assists with accuracy in medication administration.

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Some notable events during the year:

- Cruise on Lake Sunapee in August
- Halloween Social held in October
- Thanksgiving Dinner Celebration in November
- Rides to see the Christmas Lights in December
- Activity Professional Week celebration in January
- Super Bowl party in February
- Valentine's Day Dance and Dessert Buffet held in February
- Volunteer Recognition Dinner in April
- National Nursing Home Week activities in May
- Our Annual Pancake breakfast was held on Sunday, June 8 where the Health Care center hosted a County department/program fair with approximately 500 meals served.
- Resident trips to Wellwood Orchard, Putnam's Sugar House and Wind Turbines

*Respectfully submitted,  
Ted J. Purdy, Administrator*

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**HUMAN RESOURCES**

The Human Resources Department, in combination with payroll services, manages all operations of payroll, wages, benefits, personnel data, new hire application process and the application of policies and procedures for approximately 300 employees of the County. FY 2014 was a year of change and continuous improvement in the operations of Human Resources and Payroll.

This year the HR Department began reviewing potential impacts of the Affordable Care Act with the assistance of William Bald of Melcher & Prescott Insurance. This process included the County's risk assessment of the

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affordability test and excise tax liabilities, as well as benchmarking, market place research and goal setting. This detailed process provided the County management team with information for future decision making discussions around health insurance.

Starting midyear of 2014 the HR Department, in conjunction with the County Manager, looked into alternative medical coverage options for our employees and retirees. Ultimately the decision was made to transition our medical coverage to the HealthTrust and Anthem Blue Cross Blue Shield's Matthew Thornton Blue Site of Service plan beginning July 1, 2014. Upon the Commissioner's decision to do so, the HR Department set up numerous in-service training programs with representatives from the HealthTrust to inform and enroll not only employees and their covered dependents but our retiree population as well. In total this process included 167 active employees, 161 covered dependents, 32 retirees and spouses, for a total of 360 covered bodies. This helped ensure a seamless transition and allowed the HealthTrust ample time to complete enrollment prior to the July 1, 2014 activation date. We commend our staff and supervisors on their willingness to set this as a County priority, and appreciate the cooperation and understanding of all staff members during this transition.

The change in health coverage also brought the inception of a Health Reimbursement Arrangement (HRA) and change in Flexible Spending Account (FSA) maintenance, and that started our relationship with Group Dynamics, Inc. With a direct feed between Group Dynamics and Anthem, employees and dependents will be able to have complete team service coverage in regards to medical care and deductible liabilities. We also saw a tremendous increase in participation in the medical and dependent care flexible spending program this year which is currently 14% of all eligible staff, up from the 4% of last year. This is a great benefit that has been under-utilized in the past, and with the change of insurance coverage, we believe this benefit will continue to be utilized in an increasing manner moving forward.

We are excited to be moving forward with a new and improved wellness program initiative. In collaboration with the HealthTrust we are working to develop a solid and beneficial wellness program that will encourage employees to achieve their own wellness goals set through health risk appraisals and biometric screenings offered by HealthTrust. It is our belief that employees will engage in the wellness programs and with each other in such a way that it will benefit their overall well-being as well as that of the organization as a whole.

One of the most important responsibilities of the Human Resources Department in cooperation with the Payroll Clerk is the internal administration of payroll. Incorporated originally in April 2010, it has now come full circle with the two departments acting as one, fully exercising the ability to maintain and facilitate a completely functioning payroll system in-house. Payroll made a number of minor changes to address concerns raised in the County's last audit management letter that include implementing a missed punch form and insuring a review of the payroll journal for each bi-weekly pay period.

Another significant function of this department is the support, administration and maintenance of the County's benefits program. These include:

- Health Insurance: Employee & Retiree
- Dental Insurance: Employee & Retiree
- Flexible Spending and Dependent Care Accounts
- Sick Leave and Sick Time
- Accumulated Earned Time
- Vacation Time
- Short Term Disability
- Life Insurance
- 10-12 Paid Holidays (depends on location)
- NH State Retirement Plan
- Optional 457 Retirement Plans
- Shift Differentials
- Tuition Assistance

*Note: Eligibility for benefits varies based on employment status*

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Duties for the Human Resources Department also include all interactions with the Union (AFSCME Council Local 3438) employees of the Health Care facility, to include labor contract negotiations and arbitrations. Negotiations for the contract effective July 2014 began in July 2013. Unfortunately, the County was unable to complete the negotiations and the contract expired as of June 30. Bargaining unit members remain covered by the contract that expired under the status quo.

The Human Resources Department also actively participates in job fairs throughout the area. Our intent is to help broaden our name within the community as an employer and extend it into other communities as well. We have successfully hired from such events. Duties of the department also include correspondence with unemployment and workers compensation claims and the continual creation and interpretation of policies within the County to meet the needs of current state & federal labor law requirements.

As a team the Human Resources Department, in collaboration with all County department heads and elected officials, strives to bring the County together under the mutual goal of creating honesty, respect and consistency throughout every interaction.

The Human Resources Department is pleased to report that the following list of current employees (not including elected officials) have been employed with the County for 20 years or more and wish to thank them for their service.

**Employees Serving 20 Years or More**

Curtis, Sharon E	45 years
Dube, Melissa	42 years
Wilcox, Linda Jean	37 years
Bonneau, Steven E Sr.	37 years
Columbia, Cindy	33 years
Baker, Chaunee	32 years
Violette, Doireann	32 years
Fontaine, Laurie M	32 years
Adams, Cynthia	30 years
Ball, William J.	29 years
Pelletier, Allan J	28 years
Aiken, Richard M	27 years
Currier, Melissa	27 years
Courtemanche, Robert	27 years
Keefe, Lori Jean	27 years
St. Sauveur, Renee	26 years
Howe, Monica L	26 years
Leclair, Ann J	25 years
Stickney, Jane	24 years
Belletsky, Tammy	22 years
Hicks, Roxanna	22 years
Koski, Elisabeth M	22 years
Brunelle, June A	21 years
Vezina, Cynthia A	21 years
Milliken, John D	21 years
Schultz, Clint A	20 years
Roberts, Douglass M	20 years

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We would also like to take this opportunity to thank former Human Resources Director Peter Farrand for his 17 years of dedication to Sullivan County. In July 2014 Peter decided to start his well-deserved life of retirement and he leaves behind a partnership between Human Resources and other County and State departments that has grown and developed under his tenure with our organization. We wish him the best of luck and enjoyment as he pursues his passions in golf and continued investigations into the unknown through his readings and research.

Respectfully submitted,  
*Norman O'Neil, Interim Human Resources Director*  
*Samantha M Fletcher, Human Resources Assistant*  
*Laurie A. Geer, Payroll Clerk*

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**HUMAN SERVICES**

FY 2014 expenses were capped at \$5,116,770 per RSA167:18-A. This report shows total expenses by town/city and the number of recipients receiving services or living in a nursing home setting.

This will be my final Annual Report. I intend to retire at the end of December 2014 after 44 years of service at Sullivan County. The County has been very good to me and I have thoroughly enjoyed my position as Human Services Director.

TOWN	INC PAID	# RECIPS	HCBC PAID	# RECIPS	TOTAL PAID	# CASES
ACWORTH	\$ 105,623	6	\$ 49,136	6	\$ 154,759	12
CHARLESTOWN	\$ 600,114	38	\$ 210,891	26	\$ 811,005	64
CLAREMONT	\$1,946,241	127	\$ 738,456	98	\$ 2,684,697	225
CORNISH	\$ 69,332	3	\$ 16,533	2	\$ 85,885	5
CROYDON	\$ 52,677	2	\$ 4,493	1	\$ 57,170	3
GOSHEN	\$ 26,538	4	\$ 45,802	5	\$ 72,340	9
GRANTHAM	\$ 64,421	6	\$ 4,448	1	\$ 68,869	7
LANGDON	\$ (130)	1	-	0	\$ (130)	1
LEMPSTER	\$ 62,926	5	\$ 13,300	2	\$ 76,226	7
NEWPORT	\$ 790,123	53	\$ 418,708	48	\$ 1,208,831	101
OTHER*	\$ 57,248	6	\$ 26,486	4	\$ 83,734	10
PLAINFIELD	\$ 26,216	4	\$ 24,275	1	\$ 50,491	5
SPRINGFIELD	\$ 93,005	4	\$ 23,845	2	\$ 116,850	6
SUNAPEE	\$ 66,390	5	\$ 66,823	8	\$ 133,213	13
UNITY	\$ -	0	\$ 24,354	3	\$ 24,354	3
VERMONT*	\$ 82,335	7	\$ -	0	\$ 82,335	7
WASHINGTON	\$ 101,623	6	\$ 36,113	5	\$ 137,736	11
<b>TOTALS</b>	<b>\$4,144,682</b>	<b>277</b>	<b>\$ 1,703,683</b>	<b>212</b>	<b>\$ 5,848,365</b>	<b>489</b>
Annual Credit	\$ (314, 406)			Annual Credit	\$ (314,406)	
Recoveries	\$ (46,564)			Recoveries	\$ (46,564)	
	<b>\$ 3,783,712</b>				<b>\$ 5,487,395</b>	

\*Residents moving into Sullivan County from another state (excluding Vermont).

\*Vermont residents moving into Sullivan County are tracked separately.

Respectfully submitted,  
*Sherrie Curtis*

**REGISTRY OF DEEDS**

As I come to the close of another chapter in my life, it is with mixed emotions that I write this report. First, I want to say thank you to the voters of Sullivan County for their many years of support throughout my 30 years as Sullivan County's Register of Deeds. I also would like to take this time to thank the many Boards of Commissioners, Delegations members and Department heads for their support of me as well. I especially want to say thank you to my staff 30 thirty years for standing by me and supporting the many different changes that were implemented in the Deeds office. Without you, these changes could not have become successful.

As it is with all counties the real estate market is still not where it could or should be. At the time of this writing the document count is still way down. From January through August 2013 our document count was 5,509; from January through August 2014 our document count is 4,114. The numbers speak for themselves. I believe that there are many factors that are playing into this: high property taxes, low paying jobs, banking rules and

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regulations as it relates to the loaning criteria, etc., just to name a few things that affect the real estate market's growth.

The Registry of Deeds has come a long way from day one, i.e., typewriters to computers; hard copies of volumes to digitized images; and quick and easy, 24/7 access to the records via the internet. I am very proud of the many improvements and accomplishments that I and my staff have made during my tenure with the Deeds office. It has been a great honor and privilege to work with and serve you as your Register of Deeds for these past 30 years. Thank you.

Respectfully,  
*Sharron A. King*  
*Register of Deeds*

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**NATURAL RESOURCES & CONSERVATION DISTRICT**

The Sullivan County Natural Resources Department manages county lands and provides natural resource information and assistance to the public through the Sullivan County Conservation District. FY14 marks the Natural Resources Department's first year of operation.

**County Lands:** Sullivan County owns and manages 2170 acres of land in Unity. The land has extensive fields, forests, and wetlands, all open to the public for recreation. First year activities include:

- **Inventory:** An inventory of County lands was initiated to assess the number and condition of fields and their agricultural potential, timber resources, boundary line status (condition, issues), leased resources, access, internal roads and trails, trash (historic and ongoing), and biological diversity (plants, animals and habitats). The County Complex was also evaluated in terms of: landscaping needs; the use of the campus by residents, staff and visitors; and waste stream opportunities such as the composting operation. Findings will help to prioritize land management activities for the coming year.
- **Online Maps:** Using GRANITVIEW, the state's online and free geographic information system (GIS), maps were produced for all six county properties and published on the county's web site. Two versions are available for download: topographic (showing contour lines) and aerial (derived from satellite imagery).
- **Public Use:** Throughout the year, area schools as well as neighbors and others who use County lands for recreation were consulted for suggestions aimed at increasing public use. Several public events were also held this year on County lands, including a cider pressing demonstration, an apple tree pruning demonstration and two bird walks.
- **Campus landscape:** Several improvements were made to the Unity campus landscape this year including the removal of hazard trees, the protection of campus trees from string trimmers, and the addition of several new trees and shrubs.
- **Forest Management:** A timber sale on the Judkins Forest will soon be underway, in keeping with the County's timber management plan. Improvements will be made to Judkins Road to allow log trucks access to the property, which should have the added benefit of improving public access to the property.
- **Economic Development:** A \$30,000 Rural Economic Development Grant (RBEG) was awarded to the County to look at the feasibility of utilizing County lands and unused infrastructure to support farm-based economic development. Work on this project will begin next year.

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**Sullivan County Conservation District:** The Sullivan County Conservation District provides landowners and organizations with technical, financial, and educational resources needed to protect natural resources while meeting land use goals. Part of a network of over 3,000 Conservation Districts across the country, the SCCD works in partnership with the USDA Natural Resources Conservation Service and represents the conservation interests and priorities for Sullivan County. Notable accomplishments of the Conservation District this year include:

- **Demonstration High Tunnel Project:** Thanks to funding from the Natural Resources Conservation Service (NRCS), the hard work of committed volunteers, and material and financial donations from many local organizations and individuals, two 17' x 24' high tunnels (photos below) are in the process of being installed at the Sullivan County Complex in Unity. The purpose of the high tunnels will be to support agricultural research and promote local food production. In partnership with the Colby-Sawyer Department of Environmental Studies, the first test of the high tunnels will be to evaluate an innovative type of high tunnel covering called Solawrap. In future years, the high tunnel will be made available to the public as part of a larger community garden planned for the same location.



- **Caring for Climate Project:** With support from the Wellborn Ecology Fund, the Conservation District has embarked on a new project to bring weather stations to area schools to increase student access to place-based ecological education opportunities. Three stations are planned for installation this year: two in Sullivan County (Cornish Elementary School and Newport Middle School), and one in Grafton County (Indian River Middle School in Canaan). Once installed, teachers will be able to upload weather station data to the GLOBE network, which connects thousands of schools and hundreds of thousands of students to data measured across the world.
- **Promoting Native Pollinators Project:** Part of a state-wide Conservation District initiative to promote native bees for crop pollination, SCCD will be involved in several pollinator activities in the coming year, including hosting workshops and installing a demonstration pollinator planting.
- **A Local Work Group** was held at the Student Conservation Association in Charlestown, in partnership with the Cheshire County Conservation District and the Natural Resources Conservation Service (NRCS). Landowners, farmers, community leaders and natural resource professionals were asked to assess existing natural resource conditions and identify actions to address concerns and areas for improvement. The results were informative and will be used to help prioritize District work in the coming year.
- The **2013 Annual Meeting** was held in Newport at the Sugar River Bank Community Room. The meeting was well attended with 76 guests. Keynote speaker Keith Morris gave a presentation on “Ecological

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Regeneration and Economic Viability for the 21<sup>st</sup> Century.” Edgewater Farm in Plainfield received the Conservationist of the Year award and the Valley Green Journal was chosen as Educator of the Year.

- The **Annual Plant Sale** took place at the County Complex in Unity and attracted 47 customers. In addition to our regular offerings of trees, shrubs and vines, the sale included locally-grown pansies (from Jenny Wright and Stan McCumber) and equipment for home composting.
- **Presentations** were given on municipal-scale composting at the Fells in Newbury, and native plants and natural communities for the Grantham Garden Club.

**2014 Farm Bill Programs:** During FY 2014, 19 new Farm Bill conservation program contracts were approved and funded in Sullivan County through the USDA Natural Resource Conservation Service’s (NRCS) Environmental Quality Incentives Program (EQIP). The total 2014 Farm Bill dollars allocated to these 19 contracts was \$343,209, up from \$192,461 in 2013.

Fiscal Year	Farm Bill Program	# of Contracts	Obligations \$
2014	EQIP	19	\$343,209
2013	EQIP	24	\$192,461
2012	EQIP	18	\$124,815

The types of projects accomplished in FY2014 are as follows:

- 5 Seasonal High Tunnel agreements
- 1 Manure Storage Facility (dairy farm)
- 4 Forest Management Plans
- 1 Irrigation Water Management Plan
- 1 Nutrient Management Plan
- 1 On Farmstead Energy Improvement project (greenhouse heating improvements)
- 1 Maple Sugaring Combustion System Improvement project (reverse osmosis system)
- 3 Forestry agreements
- 2 Cropland agreements

Through an effective partnership with NRCS, the Sullivan County Conservation District was able to get some great conservation work on the ground, with the installation of 78 conservation practices from Farm Bill agreements for a total cost of \$184,838 paid out throughout the year. The results of the 2014 Farm Bill conservation work were reported to back the US Congress as the following performance measures:

- Conservation Plans Written: 5,635 acres
- Cropland with Conservation Applied to Improve Soil Quality: 810 acres
- Land with Conservation Applied to Improve Water Quality: 3,113 acres
- Land with Conservation Applied to Improve Irrigation Efficiency: 34 acres
- Grazing land with Conservation Applied: 384 acres
- Non-Federal Land with Conservation Applied to Improve Fish and Wildlife Habitat Quality: 220 acres
- Forest Land with Conservation Applied to Protect and Improve Vegetative Condition: 2,577 acres

I would like to take this opportunity to thank the Conservation District’s Supervisors, Associates, partners and many volunteers for their hard work, advice and dedication. I would also like to thank the Facilities and Operations Department, the County Manager and her staff, the County Commissioners and the entire County Delegation for supporting this new department.

Respectfully Submitted,  
*Lionel Chute, Director of Natural Resources*

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**UNH COOPERATIVE EXTENSION, SULLIVAN COUNTY**

**Community and Economic Development and Agricultural Resources Programs**

The Sullivan County UNH Cooperative Extension Agricultural Resources program area assisted commercial and non-commercial growers in all phases of agricultural production and farm management. This included crop production methods, pest management, whole farm planning, financial analysis, nutrient management, conservation practices, and marketing.

Cooperative Extension addressed the needs of agricultural clientele through technical assistance and educational events. Outreach methods included 51 farm/site visits that reached 118 farmers, 2 on-farm research projects, and 18 workshops. Over 385 producers attended county educational events and over 159 phone calls were responded to in the past year.

Workshop topics included fruit tree, blueberry, ornamental tree and shrub pruning, pest and disease control, pesticide safety advanced marketing, QuickBooks training, pasture management, cost effective dairy and livestock feed programs, estate planning, financial planning, goal setting, time management, and food safety for farmers and restaurant owners.

Site visits focused on farm layout, labor and employee management, farm succession planning, farm financial analysis, storm damage assessments, and general farm profitability and growth. Cooperative Extension also helped growers with soil and tissue tests to guide fertility and conservation decisions: 127 soil samples and over a dozen insect specimens were submitted for analysis and identification.

In addition to the areas above, Sullivan County UNH Cooperative Extension provided support to farmers and homeowners alike in issues of crop and livestock production, agricultural engineering, grant writing, sprayer calibration, and pest management.

The Sullivan County Master Gardener Program continued to provide educational programs on home gardening and landscaping using their active core of 25 Master Gardeners. Additional support for homeowners was provided by the Education Center. This Center offers a toll free hot line and is staffed by volunteers from around the state. Homeowners can call with their questions Monday through Friday.

The Sullivan County UNH Cooperative Extension Educator also supported agricultural organizations by serving on their Boards of Directors. This included Sullivan County Farm Bureau, NH Farm Bureau, and Northeast Organic Farming Association of NH.

The educational programs and assistance listed above have resulted in increased farm profits, increased farm efficiency which resulted in hours of time and labor saved or reduced, effective and judicious use of farm inputs, and increased support for the agricultural community here in Sullivan County.

Several projects were begun in the past few months and will continue over the coming year. These include:

- A multi-state, grant driven effort, to develop a farm labor decision making tool. Farm labor can typically account for 40-60% of all costs on diversified fruit and vegetable farms. This tool will help farmers make critical decisions in terms of hiring, managing, and other key decisions around farm labor. The states involved include VT, NH, PA, and WI.

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- Advanced Farm Management Project: This is a four session program that is being taught at three locations across the state starting this November in Charlestown. The program is funded by a Northeast Risk Management Grant
- Farm Legal Issues Resources: A three-year grant focused on building capacity in legal issues with farm service providers. The total grant funding is \$156,000.
- A county team effort funded by a Rural Business Economic Development Grant to study various agricultural economic development options in Sullivan County. County Manager Jessie Levine took the lead on this project. Sullivan County Natural Resources Director Lionel Chute and I have been working with her and Dr. Charlie French to explore the economic development opportunities for the agricultural sector of Sullivan County. The grant is for \$30,000 for one-year.

There are over 11 farm management workshops being offered in the upcoming year. Additionally, numerous other workshops will again be offered on topics that include: pruning, crop and livestock production, season extension, and grazing management.

**Sullivan County Forest Resources Program**

The Extension Forester completed his first full year on the job on June 3, 2014. Fifty-four woodlot visits for 93 landowners on more than 5,800 acres were carried out. A variety of topics were addressed, focusing on management advice to help achieve income, wildlife, recreation, and other goals on these properties. A total of 104 additional assists were provided in the form of e-mail, telephone, and walk-in requests. Twelve educational events for nearly 300 attendees were carried out. Topics included Emerald Ash Borer, timber harvest, forest health, and tree identification.

Extension Forester continued to serve as Sullivan County Chair of the NH Tree Farm Program and coordinated the Tree Farm Program in the County. Currently, 90 Tree Farmers manage more than 43,000 acres of forestland in the County to benefit long-term productivity of our forests for current and future generations. Extension Forester worked closely with the Sullivan County Chapter of the NH Timberland Owners Association to promote long-term forest stewardship and the value of a viable forest products industry in maintaining our rural quality of life. Local events this year included the annual supper at the County Complex and the Woodsmen's Field Day at the Cornish Fair.

Direct technical assistance was provided to Town officials on forestry issues in Lempster, Cornish, Springfield, Washington, and Grantham. Extension Forester obtained a NH Pesticide Applicator's License and provides treatment recommendations Statewide, as well as forest health assistance to Extension Foresters in other Counties.

Activities planned for 2015 include workshops in forest health, wildlife habitat, and timber harvest, at least 50 woodlot consultations, and an outreach program to assist one Town with Emerald Ash Borer preparedness planning.

**Nutrition Connections Program**

Nutrition Connections programming reached 61 adults, either in group series or individual home visits. Limited income residents from Charlestown, Claremont, Goshen, Lempster, Newport, and Sunapee participated in a series of food, nutrition and physical activity lessons. Cooking Matters at the Store was presented at two local small grocery stores to those who may not be able to shop at the larger markets.

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Using a series of nutrition and physical activity lessons, Nutrition Connections programming reached 330 youth in Claremont and Newport, during the 2013-2014 school year. Programming included monthly sessions in three classrooms in the Newport and Claremont Head Start Centers. Tasting new foods, learning about the food groups, and movement activities were incorporated into the lessons. Several teachers utilized the Teacher Enrichment Kits in their classrooms. The Pick a Better Snack program was presented to three classrooms as part of the state Fruit and Veggie program.

Families were referred by various agencies including Good Beginnings and Southwestern Community Services, which includes WIC, Southwestern Homeless Services, and Head Start. Families and seniors referred themselves to the program through information provided in a state-wide mailer, brochures, flyers and newsletters distributed to the schools.

Nutrition Connections was promoted throughout the county by the distribution of materials and brochures, school and agency contacts and collaboration.

### **Youth and Family Program**

University of New Hampshire Cooperative Extension (UNHCE) programs help vulnerable youth and families develop knowledge, skills and effective behaviors in financial management, parenting, healthy relationships, and other essential life skills. Communities benefit by having financially stable and strong families who are raising healthy children and successful youth. This in turn results in reduced risk of poverty, less risky behavior, reduced social service costs, and a lower rate of recidivism.

Increasing financial literacy, building present and future financial security, decreasing debt, increasing savings, and improving credit were the goals of our multi-session money management class series, webinars and workshops offered to the general public and clients of the More Than Wheels program reaching 110 participants. In addition 15 people were reached at the Claremont Shelter and 50 inmates attended financial education series held at Sullivan County House of Corrections this past year.

Sixty-four handlers from school food service, hospitals, nursing homes, home catering, fast food restaurants, senior meal sites, assisted living and restaurants increased safe food handling practices to reduce food-borne hazards by attending Safety Awareness in the Food Environment and *ServSafe* Food Safety programs around Sullivan County. In addition, consumers accessed up-to-date information on food safety and food preservation through face to face programs as well as our web resources.

Youth and Family field specialists partnered with the Sullivan County Department of Corrections to continue the grant funded 4-H Living Interactive Family Education Program (4-H LIFE), an enhanced visitation program where inmates and their children increase positive interactions through working together as a family on activities and lessons such as balancing responsibilities, managing stress and communication. This program has three components: inmates with children attend parenting education classes and family night activity preparation classes (each participant is responsible for leading one or more activities during each family night) and five family nights. Twenty inmates attended parenting classes this past year and 17 children and 16 caregivers took part in the family nights. By strengthening social support, enhanced family visits can lead to better outcomes. Research shows that visits from supportive loved ones during incarceration can reduce and delay recidivism, especially when visits occur in the months leading up to release.

In order to reach additional youth with an incarcerated parent and to remain connected to the youth and families participating in the 4-H LIFE Program during their parents' stay in the county jail, we decided to establish a community 4-H family club in Claremont. We were able to identify five adults to serve as volunteer 4-H leaders and mentors. A total of 22 youth were reached.

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Youth and Family field specialists worked with two school districts this past year to apply for significant grants that would build capacity for youth job skills and career readiness and Science, Technology, Engineering and Math (STEM) expanded learning opportunities for at-risk youth through after-school programming and mentoring.

Youth and Family field specialists worked with local community collaborations focused on teen pregnancy prevention, substance abuse prevention, and literacy promotion in Sullivan County. Through participation on these community collaborates, UNHCE is called upon to provide knowledge, tools and technical assistance in the areas of group process, facilitation, effective communication, resiliency theory, resource acquisition and program development and evaluation. UNHCE field specialists can help communities deal with issues that require comprehensive approaches over the long-term which can yield positive results that enhance community health and support positive youth development.

Youth and Family field specialist became certified to teach Youth Mental Health First Aid course, a public education program which introduces participants to the unique risk factors and warning signs of mental health problems in adolescents, builds understanding of the importance of early intervention, and teaches individuals how to help an adolescent in crisis or experiencing a mental health challenge.

A nine year national longitudinal study of positive youth development discovered that the experiences which young people receive through their participation in 4-H plays a vital role in helping them achieve success. Compared to their peers, the findings show that youth in 4-H programs excel in the areas listed below.

- 4-H members are four times more likely to make contributions to their communities. In Sullivan County our 4-H club members and leaders collectively conducted 35 community service projects investing 402 days of their time toward helping others.
- 4-H'ers are two times more likely to participate in Science programs during out-of-school time. In Sullivan County we have a growing 4-H Robotics club that has further involved youth in building underwater Sea Perch models.
- 4-H'ers are two times more likely to make healthier choices. During club meetings Sullivan County 4-H volunteers make sure healthy snacks are served, including water or a non-sugary beverage and that youth attending meetings participate in some type of physical activity.

4-H programs focus on three main ideas relevant to today's youth: Science, Technology, Engineering and Math (4-H STEM); Healthy Living; and Citizenship. In Sullivan County 315 youth are enrolled as members in 20 4-H clubs with the support of 76 4-H volunteer leaders. 4-H youth have the opportunity to participate in more than 20 life skill building events and activities within and beyond Sullivan County. Two groups of Newport teens and four adult advisors attended the "Youth Leadership Youth Voice" full day workshop to enhance their skills in communication, facilitation and advocacy.

Respectfully submitted,  
*Seth Wilner, UNHCE*

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**GRANT PROGRAMS & AWARDS**

As Fiscal Agent, the County provided fiscal and program oversight for the following grant programs in FY '14.

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**Community Development Finance Authority (CDFA): CDBG Capacity Grant**

*Grant Amount:* \$220,000      *Grant Award #'s:* 11-410-CDED. Approved by Governor & Council on 11/9/11 #4

*County Grant #:* 25.976      *Grant term:* 11/9/2011 – 12/31/2012; Extended to 12/31/2013. Closed grant.

*Grantor Name:* CDFA, under the HUD Community Development Block Grant Program

*Program Director:* Donna Lane, Professional Consultant

*Program Contact:* Commissioners Office, 14 Main Street, Newport, NH, 03773. Tel. 603.863-2560

*Program Summary:* Provide capacity funding to the New Hampshire Alliance of Regional Development Corporations (NHARDC), of which \$200,000 is sub-granted to NHARDC for ten regional development corporations in the amount of \$200,000 (\$20,000 per organization).

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**DOC GED United Way of Sullivan County**

*Grant Amount:* \$3,500

*County Grant #:* 24.606      *Grant term:* 6/1/2013 - 5/30/2014

*Grantor Name:* United Way of Sullivan County

*Program Director:* Jane Coplan, Dept. of Corrections Program Director

*Program Contact:* Jane Coplan, 103 County Farm Road, Claremont NH 03743. Phone: 603.542-8717 Ext. 438

*Program summary:* Enhancing programs focused on obtaining GEDS for TRAILS program participants.

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**FY12 Second Chance Act Family-Based Substance Abuse Treatment Initiative**

*Grant Amount:* \$300,000      *Grant Award #:* 2012-RN-BX-0001.

*County Grant #:* 25.979      *Grant term:* 10/1/2012 - 9/30/2014; Term date extended to 3/31/2015

*Grantor Name:* US DOJ, Office of Justice Programs CFDA 16.812

*Program Director:* DOC Superintendent Ross L. Cunningham and Kevin Warwick, Alternative Solutions Associates

*Program Contact:* Sullivan County Commissioners Office, 14 Main Street, Newport NH 03773. Phone: 603.863-2560

*Program Summary:* Family-based adult offender substance abuse treatment programs.

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**JSI Research and Training Institute – Community Health Institute**

*Award Amount:* \$6,000      *Grant Award #:* 2013-07

*County Grant #:* 25.981      *Grant Term:* 2/5/2013 – 6/30/2015

*Grantor Name:* JSI Community Health Institute Medical Reserve Corps

*Program Director:* Jessica Rosman, MPH, CHEP PHN Coordinator

*Program Contact:* 24 Main Street, Newport NH 03773.

*Program Summary:* Funding sustains a part-time MRC volunteer coordinator responsible for utilizing New Hampshire Responds along with regional database to track and manage volunteers.

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**National Association of County & City Healthy Officials (NACCHO): Medical Reserve Corps**

*Award Amount:* \$5,000 FY12 (Bringing forward \$4,429.88 unexpended funds to FY13; Bringing forward \$1,132.72 unexpended funds to FY14; bringing forward \$59.41 to FY15)      *Grant Award #:* MRC 12 1558.

*County Grant #:* 25.975

*Grant Term:* No term date.

*Grantor Name:* NACCHO State DHHS

*Program Director:* Jessica Rosman, MPH, CHEP PHN Coordinator

*Program Contact:* 24 Main Street, Newport NH 03773. Cell Phone 603.398-2222

*Program Summary:* Funding to support the regional MRC, building the public health infrastructure of communities.

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**New Hampshire Charitable Foundation (See summary for details)**

*Grant Amount:* \$17,500; as of 6/30/2014 \$141.27 remained to be used in FY15      *Grant Award #:* 83890

*County Grant #:* 25.856 RN Flex, 25.857 YRBS, 25.858 VetCorps & 25.859 Greater Sullivan County Wellness Commission

*Grant term:* 12/27/2012 - 1/2/2014; Term date extension approved into FY15

*Grantor Name:* New Hampshire Charitable Foundation

*Program Director:* Liz Hennig, CURN Coordinator

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*Program Contact:* Records Building, 24 Main Street, Newport NH 03773. Phone: 603.477-8896

*Program summary:* RN Flex funds to fund efforts not already provided or allowed by other funding sources but serve to leverage Regional Network efforts. YRBS funds support three school districts that collaborate with the Regional Network and Drug Free Communities grant for the region. VetCorps to provide support to Veterans and Military families (VMF) with a special emphasis on serving and needs on National Guard and Reserve VMF. Greater Sullivan County Wellness Commission improving health holistically within the community: examining top wellness challenges for the County and devising a strategic action plan.

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**New Hampshire Charitable Foundation: DOC Re-Entry Program**

*Grant Amount:* \$60,000                      *Grant Award #:* 81695 Oliver J & Dorothy Penniman Hubbard New Futures Fund

*County Grant #:* 25.865                      *Grant term:* 7/2/2012 - 1/31/2014

*Grantor Name:* New Hampshire Charitable Foundation

*Program Director:* Jane Coplan, Dept. of Corrections Program Director

*Program Contact:* Jane Coplan, 103 County Farm Road, Claremont NH 03743. Phone: 603.542-8717

*Program summary:* Partial funding for West Central Behavioral Health clinical treatment services.

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**New Hampshire Department of Justice: Residential Substance Abuse Treatment**

*Grant Amount:* \$20,000                      *Grant Award #'s:* State #2011RS11 & Fed#2011-RT-BX-0043

*County Grant #:* 25.605                      *Grant term:* 11/14/2012 - 9/30/2014

*Grantor Name:* State of NH DOJ CFDA # 16.593

*Program Director:* Jane Coplan, Dept. of Corrections Program Director

*Program Contact:* Jane Coplan, 103 County Farm Road, Claremont NH 03743. Phone: 603.542-8717

*Program summary:* Substance abuse treatment programming.

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**New Hampshire State Public Utilities Commission Grant**

*Grant Amount:* \$300,000                      *Grant Award #:* 12-DG-11420004-261

*County Grant #:* 25.855                      *Grant term:* 3/15/2012 - 12/31/2013

*Grantor Name:* NH Public Utilities Commission

*Program Contact:* Sullivan County Commissioners' Office, 14 Main Street, Newport NH 03773. Phone: 603.863-2560

*Program summary:* Partial funding source for Biomass CHIP

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**NH State – Regional Public Health Network: Emergency Planning, Immunization and Substance Misuse Prevention**

*Grant Amount:* \$302,010                      *Grant Award #:* FY14 & FY15 approved by Governor & Council #81 6/06/2012

*County Grant #:* 24.955 Emergency Planning; 24.982 Immunization; 24.953 Substance Misuse Prevention

*Grant Term:* 7/1/2013 – 6/30/2015

*Program Directors:* Jessica Rosman, MPH, CHEP PHN Coordinator & Liz Hennig, CURN Coordinator

*Program Contact:* 24 Main Street, Newport NH 03773.

*Program Summary:* Funds to serve the region for regional public health services as defined in the contract scope of service.

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**North Country Resource Conservation and Development Area Inc. (NCRC & DA) and the US Forest Service-Wood Education Resource Center (WERC) Grant**

*Grant Amount:* \$75,000                      *Grant Award #:* N/A

*County Grant #:* 25.978                      *Grant term:* 6/4/2012 – 9/30/2013

*Grantor Name:* North Country Resource Conservation and Development Area Inc. (NCRC & DA) and the US Forest Service-Wood Education Resource Center (WERC) Grant CDFA #10.664 Cooperative Forestry Assistance.

*Program Director:* County Commissioners, 14 Main Street, Newport, NH, 03773. Tel. 603.863-2560

*Program Summary:* to help Sullivan County implement the efficient use of wood energy and monitor the performance of the biomass boiler installation at the Unity County Complex. \$52,500 70% funds received in FY12 / \$22,500 30% delivered upon completion of the biomass facility.

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**SAMHSA Drug Free Communities (DFC)**

*Grant Amount:* \$125,000 each year for 5 years (Eff. 10/1/2010 – 9/30/2015)

*Grant Award #:* 1H79SP016609-01 10/1/10-9/30/11 & 5H79SP016609-02 10/1/2011-9/30/2012, 5H79SP016609-03

10/1/2013-9/30/13, 5H79SP016609-04 10/01/2014 – 09/30/2014                      *County Grant #:* 24.964

*Grantor Name:* Federal CFDA 93.276 – Drug Free Communities Support Program, Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, Center for Substance Abuse Prevention

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*Program Director:* Bridgett Taylor, SAMHSA DFC Coordinator  
*Program Contact:* 24 Main Street, Newport NH 03773. Cell Phone 802.356-9353  
*Program Summary:* SAMHSA funds support programs to reduce the impact of substance abuse and mental illness.

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**New Hampshire Charitable Foundation (Substance Abuse Program)**

*Grant Amount:* \$20,000                      *Grant Award #:* 86429  
*County Grant #:* 25.983                      *Grant term:* 12/27/2012 - 1/2/2014; Term date extension approved into FY15  
*Grantor Name:* New Hampshire Charitable Foundation  
*Program Director:* Liz Hennig, CURN Coordinator  
*Program Contact:* Records Building, 24 Main Street, Newport NH 03773. Phone: 603.477-8896

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**New Hampshire Department of Justice: Residential Substance Abuse Treatment**

*Grant Amount:* \$20,000                      *Grant Award #'s:* State #2013RS11 & Fed#2013-RT-BX-0052  
*County Grant #:* 25.607                      *Grant term:* 11/14/2012 - 9/30/2014  
*Grantor Name:* State of NH DOJ CFDA # 16.593  
*Program Director:* Jane Coplan, Dept. of Corrections Program Director  
*Program Contact:* Jane Coplan, 103 County Farm Road, Claremont NH 03743. Phone: 603.542-8717  
*Program summary:* Substance abuse treatment programming.

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**Community Health Institute JSI Medical Reserve Corps UV Collaborative**

*Award Amount:* \$19,195                      *Grant Award #:* 36879.0004.0001 NHPHPSS  
*County Grant #:* 25.984                      *Grant Term:* 2/5/2013 – 6/30/2015  
*Program Director:* Jessica Rosman, MPH, CHEP PHN Coordinator, 24 Main Street, Newport NH 03773.

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**USDA Forest Service 2012 HFWBU Grant**

*Grant Amount:* \$250,000                      *Grant Award #:* NH-12-DG-261  
*County Grant #:* 25.730                      *Grant term:* 6/4/2012 – 9/30/2013  
*Program Director:* County Commissioners, 14 Main Street, Newport, NH, 03773. Tel. 603.863-2560

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**SULLIVAN COUNTY GRANTS TO OUTSIDE AGENCIES**

On June 25, 2013, the County Convention allocated \$173,750 from the General Fund (Fund 10) for county grants as follows:

\$5,000	Big Brothers Big Sisters of Western New Hampshire
\$15,000	Claremont Soup Kitchen
\$25,000	Community Alliance of Human Services: Family Services
\$30,000	Community Alliance of Human Services: Transportation
\$27,500	Good Beginnings of Sullivan County
\$7,500	Lake Sunapee Area Mediation Program
\$1,500	Road To Independence
\$5,000	Sullivan County Oral Health Collaborative
\$55,000	Turning Points Network
\$10,000	West Central Behavioral Health

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# FY2014 FINANCIALS AND AUDITOR'S REPORT



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**FY14 APPROVED BUDGET & FINAL REVENUE/EXPENDITURES**

As of June 30, 2014

**FY14 REVENUE**

<b>Account Number</b>	<b>Description</b>	<b>GL Budget</b>	<b>YTD</b>	<b>Surplus (Shortfall)</b>
10.100.00000	Subsidiary Revenues	(\$15,006,328.00)	(\$13,932,791.29)	(\$1,073,536.71)
10.410.00000	County Attorney	(\$8,000.00)	(\$4,705.60)	(\$3,294.40)
10.411.00000	Victim/Witness Program	(\$35,500.00)	(\$34,000.00)	(\$1,500.00)
10.440.00000	Sheriff's Department	(\$104,000.00)	(\$98,768.51)	(\$5,231.49)
10.443.00000	Deputy Sheriffs Bailiffs	(\$59,905.00)	(\$61,777.69)	\$1,872.69
10.460.00000	Court House	(\$210,984.00)	(\$211,336.00)	\$352.00
10.475.00000	Cooperative Extension Service	\$0.00	(\$14,389.43)	\$14,389.43
10.490.00000	Human Services	(\$25,000.00)	(\$46,564.56)	\$21,564.56
10.600.00000	Department Of Correction	(\$107,500.00)	(\$110,180.96)	\$2,680.96
10.700.00000	Facilities	\$0.00	(\$87.21)	\$87.21
10.997.00000	Transfer In	\$0.00	(\$394,427.00)	\$394,427.00
	<b>Fund: General Fund - 10</b>	<b>(\$15,557,217.00)</b>	<b>(\$14,909,028.25)</b>	<b>(\$648,188.75)</b>
22.010.00000	Registry Equipment Fund	\$0.00	(\$13,051.32)	\$13,051.32
22.420.00000	Register Of Deeds	(\$340,000.00)	(\$303,001.52)	(\$36,998.48)
	<b>Fund: Register Of Deeds - 22</b>	<b>(\$340,000.00)</b>	<b>(\$316,052.84)</b>	<b>(\$23,947.16)</b>
24.202.00000	SAMSHA Grant	\$0.00	\$0.00	\$0.00
24.345.00000	Enforcing Underage Drinking	(\$10,000.00)	(\$11,150.95)	\$1,150.95
24.527.00000	JAG Grant	(\$12,052.00)	(\$35,561.33)	\$23,509.33
24.606.00000	GED Trails Program	(\$3,500.00)	(\$875.00)	(\$2,625.00)
24.645.00000	Outside Detail	(\$95,455.00)	(\$84,616.47)	(\$10,838.53)
24.646.00000	Highway Safety	(\$6,505.00)	(\$6,327.56)	(\$177.44)
24.745.00000	Drug Task Force Agent	(\$30,000.00)	(\$42,191.35)	\$12,191.35
24.953.00000	Regional Network/CURN	(\$65,380.00)	(\$65,167.74)	(\$212.26)
24.955.00000	PHNC	(\$76,000.00)	(\$73,929.29)	(\$2,070.71)
24.964.00000	SAMSHA DFC	(\$125,000.00)	(\$131,908.90)	\$6,908.90
24.982.00000	RPHNS Immunization	(\$9,625.00)	(\$5,690.02)	(\$3,934.98)
	<b>Fund: Grants - 24</b>	<b>(\$433,517.00)</b>	<b>(\$457,418.61)</b>	<b>\$23,901.61</b>
25.302.00000	Dept	\$0.00	(\$5,148.49)	\$5,148.49
	<b>Fund: Non Budgeted Grants - 25</b>	<b>\$0.00</b>	<b>(\$5,148.49)</b>	<b>\$5,148.49</b>
40.097.00000	SCHC Income	(\$12,899,388.00)	(\$13,748,999.53)	\$849,611.53
	<b>Fund: Health Care - 40</b>	<b>(\$12,899,388.00)</b>	<b>(\$13,748,999.53)</b>	<b>\$849,611.53</b>
41.097.00000	Trust Funds	\$0.00	(\$100.72)	\$100.72
	<b>Fund: Trust Funds - 41</b>	<b>\$0.00</b>	<b>(\$100.72)</b>	<b>\$100.72</b>
42.700.00000	Facilities	(\$1,500,000.00)	(\$2,800,000.00)	\$1,300,000.00
42.999.00000	Capital	\$0.00	(\$22,500.00)	\$22,500.00
	<b>Fund: Capital Improvements - 42</b>	<b>(\$1,500,000.00)</b>	<b>(\$2,822,500.00)</b>	<b>\$1,322,500.00</b>
<b>GRAND TOTAL</b>		<b>(\$30,730,122.00)</b>	<b>(\$32,259,248.44)</b>	<b>\$1,529,126.44</b>

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**FY14 EXPENDITURES**

Account Number	Description	GL Budget	YTD	Budget Balance
10.400.00000	Commissioner's Office	\$271,746.00	\$256,772.28	\$14,973.72
10.401.00000	Treasurer	\$5,789.00	\$5,502.44	\$286.56
10.402.00000	Auditor	\$37,000.00	\$40,153.00	(\$3,153.00)
10.403.00000	County Manager	\$163,619.00	\$84,850.03	\$78,768.97
10.406.00000	Natural Resources	\$93,385.00	\$87,663.40	\$5,721.60
10.407.00000	Emergency Reserve Fund	\$15,000.00	\$23,800.94	(\$8,800.94)
10.410.00000	County Attorney	\$558,866.00	\$512,613.89	\$46,252.11
10.411.00000	Victim/Witness Program	\$81,474.00	\$78,229.86	\$3,244.14
10.440.00000	Sheriff's Department	\$683,781.00	\$664,835.74	\$18,945.26
10.443.00000	Deputy Sheriffs Bailiffs	\$59,905.00	\$56,761.08	\$3,143.92
10.450.00000	Medical Referee	\$9,000.00	\$7,391.85	\$1,608.15
10.460.00000	Court House	\$126,971.00	\$126,874.08	\$96.92
10.475.00000	Cooperative Extension Service	\$224,004.00	\$240,353.55	(\$16,349.55)
10.481.00000	DOC Capital	\$30,000.00	\$0.00	\$30,000.00
10.482.00000	Woodhull Complex Capital	\$60,000.00	\$0.00	\$60,000.00
10.484.00000	Unity Complex Capital	\$260,000.00	\$443,202.43	(\$183,202.43)
10.490.00000	Human Services	\$5,001,635.00	\$5,117,918.99	(\$116,283.99)
10.497.00000	Woodhull County Complex	\$84,301.00	\$86,829.71	(\$2,528.71)
10.520.00000	Human Resources	\$331,677.00	\$317,382.91	\$14,294.09
10.600.00000	Department of Correction	\$4,134,830.00	\$3,878,563.99	\$256,266.01
10.700.00000	Facilities	\$540,739.00	\$203,473.76	\$337,265.24
10.861.00000	County Grants	\$181,500.00	\$181,500.00	\$0.00
10.900.00000	Revenue Anticipation Notes	\$5,000.00	\$0.00	\$5,000.00
10.970.00000	Bonded Debt	\$997,970.00	\$824,050.00	\$173,920.00
10.980.00000	Delegation	\$3,500.00	\$855.96	\$2,644.04
10.997.00000	Transfer In	\$1,592,832.00	\$2,211,297.10	(\$618,465.10)
	<b>Fund: GENERAL FUND - 10</b>	<b>\$15,554,524.00</b>	<b>\$15,450,876.99</b>	<b>\$103,647.01</b>
22.420.00000	Register Of Deeds	\$365,962.00	\$333,622.63	\$32,339.37
22.997.00000	Transfer Out	(\$25,962.00)	\$0.00	(\$25,962.00)
	<b>Fund: REGISTER OF DEEDS - 22</b>	<b>\$340,000.00</b>	<b>\$333,622.63</b>	<b>\$6,377.37</b>
24.345.00000	Enforcing Underage Drinking a	\$10,000.00	\$8,472.76	\$1,527.24
24.527.00000	JAG Grant	\$12,052.00	\$29,819.57	(\$17,767.57)
24.606.00000	GED Trail Program	\$3,500.00	\$875.00	\$2,625.00
24.645.00000	Outside Detail	\$95,455.00	\$81,152.12	\$14,302.88
24.646.00000	Highway Safety	\$6,505.00	\$6,535.70	(\$30.70)
24.745.00000	Drug Task Force Agent	\$30,000.00	\$41,109.89	(\$11,109.89)
24.953.00000	Regional Network/CURN	\$65,380.00	\$64,631.89	\$748.11
24.955.00000	PHNC	\$75,293.00	\$72,443.98	\$2,849.02
24.964.00000	SAMSHA DFC	\$125,000.00	\$131,908.90	(\$6,908.90)
24.982.00000	RPHNS Immunization	\$9,625.00	\$5,250.44	\$4,374.56
	<b>Fund: GRANTS - 24</b>	<b>\$432,810.00</b>	<b>\$442,200.25</b>	<b>(\$9,390.25)</b>
25.965.00000	Dept	\$0.00	\$1,120.78	(\$1,120.78)
	<b>Fund: NON BUDGETED GRANTS - 25</b>	<b>\$0.00</b>	<b>\$1,120.78</b>	<b>(\$1,120.78)</b>
40.480.00000	SCNH Capital	\$290,500.00	\$143,687.46	\$146,812.54
40.492.00000	SCNH Marketing	\$137,760.00	\$137,256.24	\$503.76
40.500.00000	SCNH Administration Nursing Home	\$1,131,156.00	\$1,195,734.33	(\$64,578.33)
40.501.00000	SCNH Resident Account	\$6,500.00	\$3,612.79	\$2,887.21
40.530.00000	SCNH Dietary	\$2,062,884.00	\$1,944,035.60	\$118,848.40
40.540.00000	SCNH Nursing	\$7,396,350.00	\$6,981,344.95	\$415,005.05
40.550.00000	SCNH Operation Of Plant	\$975,551.00	\$1,173,410.85	(\$197,859.85)
40.555.00000	SCNH Central Supply	\$63,206.00	\$61,914.91	\$1,291.09
40.560.00000	SCNH Laundry & Linen	\$326,479.00	\$293,162.55	\$33,316.45

**SULLIVAN COUNTY, NEW HAMPSHIRE  
FY14 ANNUAL REPORT**

40.570.00000	SCNH Housekeeping	\$654,648.00	\$601,583.64	\$53,064.36
40.580.00000	SCNH Physician & Pharmacy	\$36,500.00	\$31,534.43	\$4,965.57
40.585.00000	SCNH Medicare Part A	\$436,000.00	\$278,372.79	\$157,627.21
40.586.00000	SCNH Medicare Part B	\$322,883.00	\$319,885.38	\$2,997.62
40.589.00000	SCNH Medicaid Speech	\$8,000.00	\$2,494.04	\$5,505.96
40.591.00000	SCNH Physical Therapy	\$40,000.00	\$37,505.11	\$2,494.89
40.592.00000	SCNH Occupational Therapy	\$24,000.00	\$11,161.00	\$12,839.00
40.593.00000	SCNH Recreational Therapy	\$361,279.00	\$311,853.23	\$49,425.77
40.594.00000	SCNH Social Services	\$170,562.00	\$165,457.24	\$5,104.76
40.596.00000	SCNH Dental Service	\$22,000.00	\$20,586.30	\$1,413.70
40.997.00000	SCNH Transfer Out	(\$1,566,870.00)	(\$1,566,870.10)	\$0.10
	<b>Fund: HEALTH CARE - 40</b>	<b>\$12,899,388.00</b>	<b>\$12,147,722.74</b>	<b>\$751,665.26</b>
41.505.00000	NH Book Fund	\$700.00	\$0.00	\$700.00
41.508.00000	NH Alix Ungren Fund	\$2,500.00	\$0.00	\$2,500.00
41.509.00000	NH Elsie Hardison Fund	\$200.00	\$0.00	\$200.00
	<b>Fund: TRUST FUNDS - 41</b>	<b>\$3,400.00</b>	<b>\$0.00</b>	<b>\$3,400.00</b>
42.700.00000	Facilities	\$1,500,000.00	\$1,093,553.42	\$406,446.58
42.999.00000	Capital	\$0.00	(\$250,000.00)	\$250,000.00
	<b>Fund: CAPITAL IMPROVEMENTS - 42</b>	<b>\$1,500,000.00</b>	<b>\$843,553.42</b>	<b>\$656,446.58</b>
50.480.00000	SCNH Capital	\$0.00	\$10,079.48	(\$10,079.48)
50.484.00000	Unity Complex Capital	\$0.00	\$8,413.98	(\$8,413.98)
	<b>Fund: 05-06 RESERVE FOR ENCUMBRANCE - 50</b>	<b>\$0.00</b>	<b>\$18,493.46</b>	<b>(\$18,493.46)</b>
<b>Grand Total:</b>		<b>\$30,730,122.00</b>	<b>\$29,237,590.27</b>	<b>\$1,492,531.73</b>

SULLIVAN COUNTY, NEW HAMPSHIRE  
FY14 ANNUAL REPORT

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APPORTIONMENT TO SULLIVAN COUNTY COMMUNITIES

	Proportion of	Apportionment of
2013 Equalized Valuation	County valuation*	FY14
		County budget
ACWORTH	2.2593%	\$ 313,723
CHARLESTOWN	6.0419%	\$ 838,949
CLAREMONT	16.8462%	\$ 2,339,198
CORNISH	4.1443%	\$ 575,457
CROYDON	2.0592%	\$ 285,934
GOSHEN	1.5934%	\$ 221,251
GRANTHAM	10.4375%	\$ 1,449,314
LANGDON	1.3390%	\$ 185,926
LEMPSTER	3.3241%	\$ 461,570
NEWPORT	9.2711%	\$ 1,287,355
PLAINFIELD	6.0101%	\$ 834,544
SPRINGFIELD	4.0385%	\$ 560,770
SUNAPEE	25.3470%	\$ 3,519,582
UNITY	2.6274%	\$ 364,825
WASHINGTON	4.6610%	\$ 647,205
<b>TOTALS</b>	<b>100%</b>	<b>\$ 13,885,603</b>

Apportionments set by NH State Department of Revenue Administration.

\* Rounded for display. Actual apportionment based on detailed figures.

*Submitted by:*

*C. Michael Sanderson  
County Treasurer*

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**SULLIVAN COUNTY, NEW HAMPSHIRE  
FY14 ANNUAL REPORT**

**SCHEDULE OF COUNTY PROPERTY**

<b>Map-Lot</b>	<b>Location</b>	<b>Acreage</b>	<b>2015 Assessed Value</b>
<b><u>In Unity</u></b>			
6-D3-751	County Farm Treatment Plant	42	\$ 116,812
6-F5-617	County Complex	503.8	\$ 256,169
11-K1-753	Glidden Hill Road	48	\$ 3,536
12-B2-754	Carroll Brook Road	80	\$ 3,450
3-E7-755	Mica Mine Road	50	\$ 3,023
5-G4-902	Judkins Road	0.4	\$ 14
5-H2-618	Judkins Place	112	\$ 7,964
5-H3-752	Judkins Place	146	\$ 13,130
5-L8-620	Britton Road	98	\$ 7,604
6-C4-326	5 Nursing Home Drive	44.6	\$ 13,806
6-I2-749	2nd NH Turnpike	80	\$ 42,197
7-E2-622	S/S Reservoir	180	\$ 10,600
12-A4-619	Carroll Brook Road	192	\$ 33,764
6-H3-750	2nd NH Turnpike	3.1	\$ 9,007
2-J6-321	Spooner Road	96.3	\$ 3,317
2-J6-321-1	Off Mica Mine Road	500	\$ 24,116
		2176.2	\$ 548,509
<b><u>In Newport</u></b>			
111-008-000	Administration Building-14 Main Street	0.17	\$1,397,600
111-052-000	Municipal Parking Lot-Sunapee/Main Streets	0.64	\$ 67,300
111-001-BG0	Records Building-24 Main Street	0	\$ 181,400
111-006-000	7 Sunapee	0.12	\$ 14,500

SULLIVAN COUNTY, NEW HAMPSHIRE  
FY14 ANNUAL REPORT

**REPORT OF TRUST AND CAPITAL RESERVE FUNDS (MS-9)**

MS-9

**REPORT OF TRUST AND CAPITAL RESERVE FUNDS**

\$10,906.54

Please insert the total of ALL funds here

Town/City Of: County of Sullivan, NH For Year Ended: 06/30/2014

CONTACT PERSON:     Ted J. Purdy

PHONE: 603-542-9511 ext 217     EMAIL: turdy@sullivancountynh.gov

CERTIFICATE

Under penalties of perjury, I declare that I have examined the information contained in this form and to the best of my belief it is true, correct and complete.

C. Michael Sanderson, Treasurer

Eihel Jarvis

Cynthia Sweeney

Sign in ink

Signed by the Trustees of Trust Funds

on this date

8-12-14

REMINDERS FOR TRUSTEES

1. SIGNATURES - Sign in Ink on lines provided above.
2. INVESTMENT POLICY - RSA 31:25 requires the trustees to adopt an investment policy and review and confirm this policy at least annually. A copy of this policy must be filed with the Director of Charitable Trusts (RSA 31:25, 34:5, 35:9).
3. PROFESSIONAL BANKING AND BROKERAGE ASSISTANCE - RSA 31:38-a allows trustees to use professional banking or brokerage firm assistance. Refer to the law for further information. Attributable expenses may be charged against the trust fund involved, however, please be advised the fees can be taken from income only and not from principal.
4. WEB SITE - A trustee handbook can be down loaded from the web site for the Attorney General's Charitable Trust Division. [www.doj.nh.gov/charitable](http://www.doj.nh.gov/charitable)
5. FAIR VALUE - Complete the corresponding lines on page 4 to disclose the fair value (market value) of principal only. This information may be obtained from financial publications or from professional banking or brokerage services.
6. CAPITAL RESERVE FUND- Must be maintained separately on the books of the town. The assets of such funds may be pooled in order to invest in a broader range of investments to maximize growth and mitigate risk (RSA 35:9).
7. WHEN and WHERE TO FILE - By March 1 if filing for a calendar year and by September 1 if filing for optional fiscal year. See addresses on page 4 of this form. If the trustees hold funds for the school, the school business administrator will also need a copy for the school's financial report.

FOR DRA USE ONLY

State of New Hampshire  
Department of Revenue Administration  
Municipal Services Division  
PO Box 487, Concord, NH 03302-0487  
(603) 271-3397

MS-9  
Rev. 12/2010

Attorney General's Office

**SULLIVAN COUNTY, NEW HAMPSHIRE  
FY14 ANNUAL REPORT**

**FY-14 Sullivan County Health Care Trust Fund Report  
MS-9**

DATE OF CREATION	NAME OF TRUST FUND	PURPOSE OF TRUST FUND	HOW INVESTED	%	PRINCIPAL					INCOME					GRAND TOTAL OF PRINCIPAL & INCOME
					BALANCE BEGINNING YEAR	NEW FUNDS CREATED	CASH GAINS OR (LOSSES)	WITHDR AWALS	BALANCE END YEAR	BALANCE BEGINNING YEAR	INCOME PERCENT	DURING YEAR AMOUNT	EXPENDED DURING YEAR	BALANCE END YEAR	
	COMMON TRUST FUND						Due to interest								
1990	Alix Ungren Fund	Restricted	CD	100.00%	4,481.84	3.00	49.37	0.00	4,531.01	0.00	0.00%	0.00	0.00	0.00	4,531.01
2007	Alix Ungren Fund	Active	Savings	100.00%	2,006.88	3.00	0.86	0.00	2,007.74	0.00	0.00%	0.00	0.00	0.00	2,007.74
1993	Book Fund	Restricted	CD	100.00%	1,396.09	3.00	16.38	0.00	1,412.47	0.00	0.00%	0.00	0.00	0.00	1,412.47
2007	Book Fund	Active	Savings	100.00%	717.71	3.00	0.35	0.00	718.07	0.00	0.00%	0.00	0.00	0.00	718.07
1979	Elsie Harrison Fund	Restricted	CD	100.00%	1,121.01	3.00	33.63	0.00	1,154.64	0.00	0.00%	0.00	0.00	0.00	1,154.64
2007	Elsie Harrison Fund	Active	Savings	100.00%	182.49	3.00	0.12	0.00	182.61	0.00	0.00%	0.00	0.00	0.00	182.61
					10,805.82										Grand Total: 10,806.54

Alix Ungren Fund:	This fund is used to provide for the purchase of materials and supplies used in projects carried on by restricted organizations and persons in the recreational and occupational therapy design to aid residents. Established 5/21/05 \$3,000 principal, interest to be spent accordingly.
Book Fund	This fund is used to provide reading materials/media supplies for residents of Sullivan County Health Care. Established 3/17/1988 in memory of Leola Powers. \$1,000 principal to remain, interest may be spent accordingly.
Elsie Harrison Fund	This fund is used to assist the needy and worthy residents of Sullivan County Health Care. Established 3/29/05 in memory of Elsie Harrison \$1,000 principal to remain, interest to be spent accordingly.

This is to certify that the information contained in this report was taken from the official records and is correct to the best of our knowledge and belief.

Date: 8-12-14 County Treasurer: Michael Sanderson County Clerk: Ethel Lewis County Delegate: Cynthia Sweeney

**SULLIVAN COUNTY, NEW HAMPSHIRE  
FY14 ANNUAL REPORT**

**CONSOLIDATED BALANCE SHEET**  
as of June 30, 2014

**ASSETS**

General Fund

Cash Accounts (+)	\$8,851,938.82
Accounts Receivable (+)	\$21,114.03
Prepaid Health and Dental Insurance (+)	\$215,263.13
Due From Other Funds (+)	\$2,746,897.89

**Sub-total: General Fund**

**\$11,835,213.87**

Register of Deeds

Copy Account (+)	\$39,003.97
Petty Cash (+)	\$100.00
Restricted Cash (+)	\$125,363.86

**Sub-total: Register of Deeds**

**\$164,467.83**

Grant Fund

Account Receivable (+)	\$73,248.46
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**Sub-total: Grant Fund**

**\$73,248.46**

Fund 25

Accounts Receivable (+)	\$114,280.08
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**Sub-total: Fund 25**

**\$114,280.08**

Sullivan County Health Care

Petty Cash (+)	\$1,100.00
A/R County Nursing Home (+)	\$545,132.10
Allow Uncollectable Accounts (-)	(\$271,801.00)
Accounts Receivable New Account (+)	\$1,382,606.14
Due from Other Funds (-)	(\$442,791.19)
Food and Dietary Supplies (+)	\$36,291.32
Medical and Surgical Supplies (+)	\$3,635.11
Housekeeping Inventory (+)	\$1,586.94
Laundry and Linen Supplies (+)	\$4,089.84
Restricted Cash (+)	\$1,108.86
National Data Care Resident Trust (+)	\$70,167.59
National Data Care Petty Cash (+)	\$3,617.09
National Data Care: Care Cost (+)	\$3,693.63

**Sub-total: Sullivan County Health Care**

**\$2,767,620.81**

Trust Funds

SCHC Trust Fund (+)	\$10,906.54
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**Sub-total: Trust Funds**

**\$10,906.54**

**Total: ASSETS**

**\$14,965,737.59**

**LIABILITIES**

General Fund

Accrued Payables (-)	\$63,996.42
Deceased Resident Accts RAS 151-A:15 (-)	\$363.79
Sheriff's Civil Agency Account (-)	\$2,065.57
FICA (-)	(\$633.04)
Group Life Disability (-)	(\$76.48)
Group Health Insurance (-)	\$18,841.66
Retirement (-)	(\$274.82)
Accrued Wages (-)	\$92,180.31

**SULLIVAN COUNTY, NEW HAMPSHIRE  
FY14 ANNUAL REPORT**

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	Aflac-Post Tax (-)	\$40.08
	Dental Insurance (-)	\$10,965.94
	Flex Account W/H (-)	\$46,507.15
	Life / Disability - Davis & Towle (-)	\$94.07
	Due to Other Funds (-)	\$1,815,112.23
	Radio Association (-)	\$2,168.79
	DOC Inmate Trust Accounts (-)	\$35,534.10
	DOC Inmate Fund New Account (-)	\$40,523.02
<b>Sub-total: General Fund</b>		<b>(\$2,127,408.79)</b>
Register of Deeds		
	Deeds: Atty. Copy Acct. Escrow Liab. (-)	\$39,003.97
	Salaries Payable (-)	\$4,741.20
	Due to Other Funds (-)	(\$4,641.20)
<b>Sub-total: Register of Deeds</b>		<b>(\$39,103.97)</b>
Grants		
	Accrued Payables (-)	\$2,461.60
	Salaries Payable (-)	\$1,982.61
	Due To Other Funds (-)	(\$28,856.69)
<b>Sub-total: Grants</b>		<b>\$24,412.48</b>
Non Budgeted Grants (25)		
	Accrued Payables (-)	\$3,482.12
	Salaries Payable (-)	\$1,018.75
	Due to Due From (-)	\$96,594.55
<b>Sub-total: Non Budgeted Grants (25)</b>		<b>(\$101,095.42)</b>
Sullivan County Health Care		
	Accrued Payable (-)	\$383,734.61
	MHCO Accrued Wages (-)	\$232,001.31
	Due to Other Funds (-)	\$719,673.63
	NH River of Light (-)	\$1,108.86
	SCHC: NDC-Care Cost Deferred Revenue (-)	\$3,693.63
	SCHC: NDC- Petty Cash Deferred Revenue (-)	\$3,617.09
	SCHC: NDC-Resident Trust 2 Deferred Revenue (-)	\$70,167.59
<b>Sub-total: Sullivan County Health Care</b>		<b>(\$1,413,996.72)</b>
Trust Funds		
	Due To Due From (-)	\$148.14
<b>Sub-total: Trust Funds</b>		<b>(\$148.14)</b>
Fund 42 Capital Improvements		
	Accrued Payables (-)	\$169,918.36
	Due to Other Funds (-)	(\$824,706.81)
<b>Sub-total: Fund 42 Capital Improvements Fund 50</b>		<b>\$654,788.45</b>
	Due to Due From (-)	\$530,782.85
<b>Sub-total: Fund 50</b>		<b>(\$530,782.85)</b>
<b>Total: LIABILITIES</b>		<b>(\$3,533,334.96)</b>

**SULLIVAN COUNTY, NEW HAMPSHIRE  
FY14 ANNUAL REPORT**

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**FUND BALANCE**

General Fund

Fund Balance - General Fund (-)	\$8,922,277.25
Enc. Reserve Current Year (-)	\$15,387.00
Reserve for Prepays (-)	\$215,263.13
MHCO Designated Fund Balance (-)	\$646,700.00
Fund Balance Capital Reserve (-)	\$480,647.55

**Sub-total: General Fund**

**(\$10,280,274.93)**

Register of Deeds

Surcharge Fees (-)	\$13,051.32
Fund Balance - Register of Deeds (-)	\$112,312.54

**Sub-total: Register of Deeds**

**(\$125,363.86)**

Fund 24 Grants

PLUG NMF Fund Balance Account(-)	(\$16,693.00)
Fund Balance Equity Sharing Cty Atty (-)	\$97.21
Fund Balance - Grants (-)	\$3,971.60
Fund Balance (345) (-)	\$2,297.01
Fund Balance (476) (-)	\$110.00
Fund Balance (527) (-)	(\$5,741.76)
Fund Balance (602) (-)	(\$9,425.00)
Fund Balance (642) (-)	\$14.00
Fund Balance (643) (-)	(\$2,122.00)
Fund Balance (644) (-)	\$1,886.00
Fund Balance (645) (-)	\$41,517.06
Fund Balance (646) (-)	(\$806.11)
Fund Balance (647) (-)	\$1,373.45
Fund Balance (745) (-)	\$933.00
Fund Balance (850) (-)	\$3,210.00
Fund Balance (863) (-)	(\$3,007.00)
Fund Balance Fed Forfeiture Acct (-)	(\$1.00)
Fund Balance GSCAHR PHASE III- 1 (-)	\$7,102.00
Fund Balance GSCAHR PHASE III- 2 (-)	(\$20.00)
Fund Balance (943) (-)	\$9,682.17
Fund Balance (944) (-)	(\$3,329.00)
Fund Balance (948) (-)	(\$3,282.76)
Fund Balance Regional Network(953) (-)	\$26,760.87
Fund Balance PHNC (-)	(\$3,362.13)
Fund Balance (957) (-)	\$590.00
Fund Balance (958) (-)	\$5,342.00
Fund Balance (959) (-)	(\$8.00)
Fund Balance (960) (-)	\$5,847.00
Fund Balance (961) (-)	(\$15.00)
Fund Balance (963) (-)	\$7.00
Fund Balance (964) (-)	\$16,419.00
Fund Balance (969) (-)	\$3,096.00

**Sub-total: Fund 24 Grants**

**(\$82,442.61)**

Fund 25 Grants

Fund Balance NHCF (-)	\$433.36
Fund Balance (975) (-)	\$1,132.38

**Sub-total: Fund 25 Grants**

**(\$1,565.74)**

Sullivan County Health Care

Fund Balance (-)	(\$1,676,837.08)
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**Sub-total: Sullivan County Health Care**

**\$1,676,837.08**

**SULLIVAN COUNTY, NEW HAMPSHIRE  
FY14 ANNUAL REPORT**

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Fund 42 Capital Improvements	Fund Balance (-)		(\$1,338,970.63)
	Encumbrances (-)		\$37,312.50
<b>Sub-total: Fund 42 Capital Improvements</b>			<b>\$1,301,658.13</b>
Fund 50	Fund Balance (-)		(\$512,289.39)
<b>Sub-total: Fund 50</b>			<b>\$512,289.39</b>
Trust Funds	Fund Balance (-)		\$10,657.68
Sub-total: Trust Funds			(\$10,657.68)
<b>Total: FUND BALANCE</b>			<b>(\$7,009,520.22)</b>
<b>Total LIABILITIES + FUND BALANCE</b>			<b>(\$10,542,855.18)</b>

**ASSIGNMENTS OF FY14 FUND BALANCE**

<b>FY2014 Budget - Encumber</b>	<b>Purpose</b>	<b>Amount</b>
10.482.21096	Commissioners' Office Windows	\$7,387
		<b>\$7,387</b>
<b>FY2014 FB assignments</b>	<b>Purpose</b>	<b>Amount</b>
10.484.21096	Dam Repairs (FY2014)	\$75,000
10.482.21096	Newport Parking Lot (FY2014)	\$50,000
40.480.21096	Resident room plumbing	\$125,000
40.480.21096	Kitchenette A/C	\$7,500
	DOC Lighting Project	\$30,000
<b>FY2013 FB Assignments</b>	<b>Purpose</b>	<b>Remainder</b>
\$250,000	Biomass Engineering	\$0
\$209,200	Unity Complex parking lot engineering & paving	\$209,200
\$150,000	Sanders Roof	\$150,000
\$50,000	Unity fuel contingency for biomass project	\$0
\$50,000	Newport parking lot paving (County/State/Town project)	\$0
\$10,275	Beds for Nursing Home	\$0
<b>\$719,475</b>		<b>\$646,700</b>

**SULLIVAN COUNTY, NEW HAMPSHIRE  
FY14 ANNUAL REPORT**

**STATEMENT OF LONG TERM BONDED DEBT  
Outstanding at 12/31/14**

	<b>2013 BIOMASS PROJECT</b>	<b>2009 CCC</b>	<b>2012 FLEET</b>	<b>Principal Due</b>	<b>Interest Due</b>	<b>Annual Debt Payments</b>	<b>Principal Balance</b>
<b>Original Issue</b>	\$2,800,000	\$6,900,000	\$182,876	\$9,882,876			\$9,882,876
<b>Interest Rate</b>	2.50	2.62	0.95				
<b>Maturity Date</b>	08/22/28	01/15/20	07/15/15				
Due 2014 Principal	\$156,148	\$660,000	\$60,959	\$877,106			
Due 2014 Interest	\$70,000	\$154,150	\$1,158		\$225,308	\$1,102,414	\$6,895,811
Due 2015 Principal	\$160,051	\$660,000	\$57,363	\$877,414			
Due 2015 Interest	\$66,097	\$134,350	\$579		\$201,026	\$1,078,440	\$6,018,397
Due 2016 Principal	\$163,991	\$655,000		\$818,991			
Due 2016 Interest	\$62,157	\$114,625			\$176,782	\$995,773	\$5,199,406
Due 2017 Principal	\$168,210	\$655,000		\$823,210			
Due 2017 Interest	\$57,938	\$91,700			\$149,638	\$972,848	\$4,376,196
Due 2018 Principal	\$172,358	\$655,000		\$827,358			
Due 2018 Interest	\$53,790	\$65,500			\$119,290	\$946,648	\$3,548,838
Due 2019 Principal	\$176,666	\$655,000		\$831,666			
Due 2019 Interest	\$49,482	\$39,300			\$88,782	\$920,448	\$2,717,172
Due 2020 Principal	\$181,039	\$655,000		\$836,039			
Due 2020 Interest	\$45,109	\$13,100			\$58,209	\$894,248	\$1,881,133
Due 2021 Principal	\$185,649			\$185,649			
Due 2021 Interest	\$40,499				\$40,499	\$226,148	\$1,695,484
Due 2022 Principal	\$190,250			\$190,250			
Due 2022 Interest	\$35,898				\$35,898	\$226,148	\$1,505,234
Due 2023 Principal	\$195,007			\$195,007			
Due 2023 Interest	\$31,141				\$31,141	\$226,148	\$1,310,227
Due 2024 Principal	\$199,856			\$199,856			
Due 2024 Interest	\$26,292				\$26,292	\$226,148	\$1,110,371
Due 2025 Principal	\$204,899			\$204,899			
Due 2025 Interest	\$21,249				\$21,249	\$226,148	\$905,472
Due 2026 Principal	\$210,001			\$210,001			
Due 2026 Interest	\$16,147				\$16,147	\$226,148	\$695,471
Due 2027 Principal	\$215,251			\$215,251			
Due 2027 Interest	\$10,897				\$10,897	\$226,148	\$480,220
Due 2028 Principal	\$220,626			\$220,626			
Due 2028 Interest	\$5,522				\$5,522	\$226,148	\$259,594
<b>Remaining Project Debt</b>	<b>\$3,392,220</b>	<b>\$5,207,725</b>	<b>\$120,059</b>	<b>\$8,720,004</b>	<b>\$14,047,788</b>	<b>\$22,887,850</b>	

**SULLIVAN COUNTY, NEW HAMPSHIRE  
FY14 ANNUAL REPORT**

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**FY15 EXPENDITURE BUDGET  
For fiscal year beginning July 1, 2015**

<u>Account</u>	<u>Department</u>	<u>FY15 Final Budget</u>
10.400.00000	Commissioners Office	\$396,359.00
10.401.00000	Treasurer	\$5,809.00
10.402.00000	Auditor	\$34,300.00
10.403.00000	County Manager	\$131,971.00
10.406.00000	Natural Resources	\$113,452.00
10.407.00000	Emergency Reserve Fund	\$25,000.00
10.410.00000	County Attorney	\$557,364.00
10.411.00000	Victim/Witness Program	\$77,516.00
10.440.00000	Sheriff's Department	\$649,957.00
10.443.00000	Deputy Sheriffs Bailiffs	\$60,215.00
10.450.00000	Medical Referee	\$10,000.00
10.460.00000	Court House	\$128,045.00
10.475.00000	Cooperative Extension Service	\$243,526.00
10.481.00000	DOC Capital	\$18,000.00
10.482.00000	Woodhull Complex Capital	\$10,000.00
10.484.00000	Unity Complex Capital	\$339,500.00
10.490.00000	Human Services	\$5,461,000.00
10.497.00000	Woodhull County Complex	\$91,071.00
10.520.00000	Human Resources	\$540,044.00
10.600.00000	Department of Correction	\$4,331,108.00
10.700.00000	Facilities	\$522,980.00
10.861.00000	County Grants	\$184,500.00
10.970.00000	Bonded Debt	\$1,030,398.00
10.980.00000	Delegation	\$2,500.00
10.997.00000	Transfer In	\$331,906.00
	<b>Fund: GENERAL FUND - 10</b>	<b>\$15,296,521.00</b>
22.420.00000	Register Of Deeds	\$310,478.00
22.997.00000	Transfer Out	(\$5,279.00)
	<b>Fund: REGISTER OF DEEDS - 22</b>	<b>\$305,199.00</b>
24.345.00000	Enforcing Underage Drinking Laws	\$3,021.00
24.645.00000	Law Enforcement Contract	\$89,502.00
24.646.00000	Highway Safety	\$6,538.00
24.745.00000	Drug Task Force Agent	\$60,000.00
24.953.00000	Regional Network/ CURN	\$65,380.00
24.955.00000	PHNC	\$76,000.00
24.964.00000	SAMHSA DFC	\$125,000.00
24.982.00000	RPHNS Immunization	\$9,625.00
24.983.00000	NHCF SAP	\$20,000.00
	<b>Fund: GRANTS - 24</b>	<b>\$455,066.00</b>
40.480.00000	SCNH Capital	\$341,600.00
40.492.00000	Marketing	\$136,004.00
40.500.00000	Administration Nursing Home	\$1,236,956.00
40.501.00000	SCHC Resident Account	\$6,500.00
40.530.00000	Dietary	\$1,984,955.00
40.540.00000	Nursing	\$7,028,874.00

**SULLIVAN COUNTY, NEW HAMPSHIRE  
FY14 ANNUAL REPORT**

40.550.00000	Operation Of Plant	\$892,802.00
40.555.00000	Central Supply	\$57,650.00
40.560.00000	Laundry & Linen	\$360,429.00
40.570.00000	Housekeeping	\$612,523.00
40.580.00000	Physician & Pharmacy	\$36,500.00
40.585.00000	Medicare Part A	\$408,000.00
40.586.00000	Medicare Part B	\$328,536.00
40.589.00000	Medicaid Speech	\$8,000.00
40.591.00000	Physical Therapy	\$40,000.00
40.592.00000	Occupational Therapy	\$24,000.00
40.593.00000	Recreational Therapy	\$366,502.00
40.594.00000	Social Services	\$163,204.00
40.596.00000	Dental Service	\$22,000.00
40.997.00000	Transfer Out	(\$326,627.00)
	<b>Fund: SC HEALTH CARE - 40</b>	<b>\$13,728,408.00</b>
<hr/> <b>Grand Total:</b>		<hr/> <b>\$29,785,194.00</b>

**FY15 REVENUE BUDGET**  
For fiscal year beginning July 1, 2015

<u>Account</u>	<u>Department</u>	<u>FY15 Final Budget</u>
10.100.00000	Subsidiary Revenues	(\$14,720,151)
10.410.00000	County Attorney	(\$8,000)
10.411.00000	Victim/Witness Program	(\$34,000)
10.440.00000	Sheriff's Department	(\$95,000)
10.443.00000	Deputy Sheriffs Bailiffs	(\$60,215)
10.460.00000	Court House	(\$213,096)
10.475.00000	Cooperative Extension Service	(\$12,158)
10.490.00000	Human Services	(\$25,000)
10.600.00000	Department Of Correction	(\$107,500)
	<b>Fund: GENERAL FUND - 10</b>	<b>(\$15,275,120)</b>
22.420.00000	Register Of Deeds	(\$330,000)
	<b>Fund: REGISTER OF DEEDS - 22</b>	<b>(\$330,000)</b>
24.345.00000	Enforcing Underage Drinking Laws	(\$3,021)
24.645.00000	Law Enforcement Contract	(\$89,502)
24.646.00000	Highway Safety	(\$6,538)
24.745.00000	Drug Task Force Agent	(\$60,000)
24.953.00000	Regional Network/ CURN	(\$65,380)
24.955.00000	PHNC	(\$76,000)
24.964.00000	SAMHSA DFC	(\$125,000)
24.982.00000	RPHNS Immunization	(\$9,625)
24.983.00000	NHCF SAP	(\$20,000)
	<b>Fund: GRANTS - 24</b>	<b>(\$455,066)</b>
40.097.00000	SCHC Income	(\$13,728,408)
	<b>Fund: HEALTH CARE - 40</b>	<b>(\$13,728,408)</b>
<hr/> <b>Grand Total:</b>		<hr/> <b>(\$29,788,594)</b>

**SULLIVAN COUNTY, NEW HAMPSHIRE  
FY14 ANNUAL REPORT**

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**AUDITOR'S REPORT  
For FY14 ending June 30, 2014**

**SULLIVAN COUNTY, NEW HAMPSHIRE**

**Annual Financial Statements**

**For the Year Ended June 30, 2014**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners  
Sullivan County, New Hampshire

Additional Offices:  
Andover, MA  
Greenfield, MA  
Manchester, NH  
Ellsworth, ME

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of Sullivan County, New Hampshire, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Sullivan County, New Hampshire's basic financial statements as listed in the Table of Contents.

### **Management's Responsibility for the Financial Statements**

The County's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and

fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Sullivan County, New Hampshire, as of June 30, 2014, and the respective changes in financial position and the respective budgetary comparison for all budgeted funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and Schedule of Funding Progress be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2014 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Melanson Heath*

November 6, 2014

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of Sullivan County, New Hampshire (the County), we offer readers this narrative overview and analysis of the financial activities of Sullivan County for the fiscal year ended June 30, 2014.

### **A. OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The Statement of Activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The governmental activities include general government, public safety, corrections, human services, cooperative extension, and nursing home.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The accounts of the County are reported as governmental funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

An annual appropriated budget is adopted for all funds. A budgetary comparison statement has been provided for all funds to demonstrate compliance with this budget.

**Notes to financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by the accounting principles generally accepted in the United States of America.

## **B. FINANCIAL HIGHLIGHTS**

- As of the close of the current fiscal year, the total of assets exceeded liabilities by \$17,129,147 (i.e., net position), a change of \$1,364,327 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$10,020,571, a change of \$2,950,449 in comparison to the prior year.
- At the end of the current fiscal year, the fund balance for the general fund was \$9,112,220, a change of \$1,010,414 in comparison to the prior year.
- Total bonds payable, including bond premium, at the close of the current fiscal year was \$6,930,600, a change of \$2,107,400 in comparison to the prior year.

## **C. GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following is a summary of condensed government-wide financial data for the current and prior fiscal years.

## **NET POSITION**

	Governmental <u>Activities</u>	
	<u>2014</u>	<u>2013</u>
Current assets	\$ 11,285,203	\$ 9,968,208
Noncurrent assets	<u>15,882,299</u>	<u>15,137,103</u>
Total assets	27,167,502	25,105,311
Current liabilities	2,445,519	3,892,828
Noncurrent liabilities	<u>7,592,836</u>	<u>5,447,663</u>
Total liabilities	10,038,355	9,340,491
Net position:		
Net investment in capital assets	9,507,072	7,913,488
Restricted	963,989	332,123
Unrestricted	<u>6,658,086</u>	<u>7,519,209</u>
Total net position	<u>\$ 17,129,147</u>	<u>\$ 15,764,820</u>

## **CHANGE IN NET POSITION**

	Governmental <u>Activities</u>	
	<u>2014</u>	<u>2013</u>
Revenues:		
Program revenues:		
Charges for services	\$ 14,420,496	\$ 13,442,439
Operating grants and contributions	674,097	778,963
Capital grants and contributions - Biomass	22,500	550,000
General revenues:		
County taxes	13,885,603	13,892,074
Investment income	4,725	6,826
Miscellaneous	<u>286,486</u>	<u>367,381</u>
Total revenues	29,293,907	29,037,683

(continued)

(continued)

### CHANGE IN NET POSITION

	Governmental Activities	
	<u>2014</u>	<u>2013</u>
Expenses:		
General government	2,205,531	2,010,999
Public safety	933,399	940,813
Corrections	4,459,514	4,560,718
Human services	5,621,701	5,409,030
Cooperative extension	344,088	252,437
Nursing home	14,149,543	13,613,101
Interest expense	<u>215,804</u>	<u>176,348</u>
Total expenses	<u>27,929,580</u>	<u>26,963,446</u>
Change in net position	1,364,327	2,074,237
Net position - beginning of year	<u>15,764,820</u>	<u>13,690,583</u>
Net position - end of year	<u>\$ 17,129,147</u>	<u>\$ 15,764,820</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net position was \$17,129,147, a change of \$1,364,327 from the prior year.

The largest portion of net position \$9,507,072 reflects our investment in capital assets (e.g., land, buildings and improvements, equipment and furnishings, vehicles, and construction in progress); less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position \$963,989 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$6,658,086 may be used to meet the government's ongoing obligations to citizens and creditors.

**Governmental activities.** Governmental activities for the year resulted in a change in net position of \$1,364,327. Key elements of this change are as follows:

Operating Results:

General fund	\$ 1,010,414
Register of deeds fund	13,051
Grants fund	(51,963)
Capital projects fund	<u>1,978,947</u>
Subtotal operating results	2,950,449
Purchase of capital assets	1,655,346
Principal debt service in excess of depreciation expense	(140,709)
Proceeds of bonds	(2,800,000)
Change in accrued interest liability	(50,039)
Change in compensated absence liability	27,915
Change in net OPEB obligation	<u>(278,635)</u>
Total	<u>\$ 1,364,327</u>

**D. FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$10,020,571, a change of \$2,950,449 in comparison to the prior year. Key elements of this change are as follows:

General fund revenues in excess of expenditures and transfers out	\$ 1,010,414
Register of deeds fund revenues and transfers in excess of expenditures	13,051
Grants fund expenditures in excess of revenues	(51,963)
Capital projects fund revenues and transfers in excess of expenditures	<u>1,978,947</u>
Total	<u>\$ 2,950,449</u>

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$6,888,761, while total fund balance was \$9,112,220. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total budgeted expenditures. Refer to the table below.

<u>General Fund</u>	<u>6/30/14</u>	<u>6/30/13</u>	<u>Change</u>	<u>Percentage of Total Budgeted Expenditures</u>
Unassigned fund balance	\$ 6,888,761	\$ 5,654,484	\$ 1,234,277	22.2%
Total fund balance	\$ 9,112,220	\$ 8,101,806	\$ 1,010,414	29.4%

The total fund balance of all funds changed by \$2,950,449 during the current fiscal year. Key factors in this change are as follows:

Revenues in excess of budget	\$ 1,121,685
Expenditures less than appropriations	1,935,757
Use of fund balance - reduce taxes	(1,108,993)
Use of fund balance - purchase of land	(298,000)
Proceeds of bonds in excess of budget	<u>1,300,000</u>
Total all funds	\$ <u>2,950,449</u>

#### **E. BUDGETARY HIGHLIGHTS**

Differences between the original and the final amended budget resulted in an overall change in appropriations of \$18,493. This change relates to a use of voted reserves (fund balance).

#### **F. CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** Total investment in capital assets for governmental activities at year-end amounted to \$15,882,299 (net of accumulated depreciation), an increase of \$745,196 from the prior year. This investment in capital assets includes land, buildings and improvements, equipment and furnishings, vehicles, and construction in progress.

Major capital asset events during the current fiscal year included biomass construction costs of approximately \$1,078,000.

Additional information on capital assets can be found in the Notes to Financial Statements.

**Long-term debt.** At the end of the current fiscal year, total bonded debt outstanding was \$6,930,600, all of which relates to the corrections facility upgrade and the biomass project, was backed by the full faith and credit of the County.

Additional information on long-term debt can be found in the Notes to Financial statements.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Sullivan County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Sullivan County, New Hampshire  
14 Main Street  
Newport, New Hampshire 03773

SULLIVAN COUNTY, NEW HAMPSHIRE

STATEMENT OF NET POSITION

JUNE 30, 2014

	Governmental <u>Activities</u>
<b>ASSETS</b>	
Current:	
Cash and short-term investments	\$ 8,783,654
Restricted cash	323,347
Accounts receivable, net of allowances	1,917,336
Prepaid expenses	215,263
Inventory	<u>45,603</u>
Total current assets	11,285,203
Noncurrent:	
Capital Assets:	
Land	403,430
Construction in progress	3,300
Capital assets, net of accumulated depreciation	<u>15,475,569</u>
Total noncurrent assets	<u>15,882,299</u>
<b>TOTAL ASSETS</b>	<b>27,167,502</b>
<b>LIABILITIES</b>	
Current:	
Accounts payable	623,593
Accrued liabilities	565,122
Other liabilities	5,148
Restricted cash liability	197,883
Current portion of noncurrent liabilities:	
Notes payable	60,959
Bonds payable	848,748
Compensated absences	<u>144,066</u>
Total current liabilities	2,445,519
Noncurrent:	
Notes payable	60,957
Bonds payable	6,081,852
Compensated absences	223,121
Net OPEB obligation	<u>1,226,906</u>
Total noncurrent liabilities	<u>7,592,836</u>
<b>TOTAL LIABILITIES</b>	<b>10,038,355</b>
<b>NET POSITION</b>	
Net investment in capital assets	9,507,072
Restricted	963,989
Unrestricted	<u>6,658,086</u>
<b>TOTAL NET POSITION</b>	<b>\$ <u>17,129,147</u></b>

The accompanying notes are an integral part of these financial statements.



SULLIVAN COUNTY, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2014

	General Fund	Register of Deeds Fund	Grants Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and short-term investments	\$ 7,954,306	\$ 4,641	\$ -	\$ 824,707	\$ 8,783,654
Restricted cash	158,879	164,468	-	-	323,347
Accounts receivable, net of allowances	1,707,307	-	187,529	22,500	1,917,336
Prepaid expenses	215,263	-	-	-	215,263
Due from other funds	67,738	-	-	-	67,738
Inventory	45,603	-	-	-	45,603
<b>TOTAL ASSETS</b>	<b>\$ 10,149,096</b>	<b>\$ 169,109</b>	<b>\$ 187,529</b>	<b>\$ 847,207</b>	<b>\$ 11,352,941</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 447,731	\$ -	\$ 5,944	\$ 169,918	\$ 623,593
Accrued liabilities	430,266	4,741	3,001	-	438,008
Due to other funds	-	-	67,738	-	67,738
Other liabilities	-	-	5,148	-	5,148
Restricted cash liability	158,879	39,004	-	-	197,883
<b>TOTAL LIABILITIES</b>	<b>1,036,876</b>	<b>43,745</b>	<b>81,831</b>	<b>169,918</b>	<b>1,332,370</b>
Fund Balances:					
Nonspendable	260,866	-	-	-	260,866
Restricted	10,758	125,364	150,578	677,289	963,989
Committed	480,648	-	-	-	480,648
Assigned	1,471,187	-	-	-	1,471,187
Unassigned	6,888,761	-	(44,880)	-	6,843,881
<b>TOTAL FUND BALANCES</b>	<b>9,112,220</b>	<b>125,364</b>	<b>105,698</b>	<b>677,289</b>	<b>10,020,571</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 10,149,096</b>	<b>\$ 169,109</b>	<b>\$ 187,529</b>	<b>\$ 847,207</b>	<b>\$ 11,352,941</b>

The accompanying notes are an integral part of these financial statements.

SULLIVAN COUNTY, NEW HAMPSHIRE

RECONCILIATION OF TOTAL GOVERNMENTAL FUND  
BALANCES TO NET POSITION OF GOVERNMENTAL  
ACTIVITIES IN THE STATEMENT OF NET POSITION

JUNE 30, 2014

<b>Total governmental fund balances</b>	\$ 10,020,571
• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	15,882,299
• In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(127,114)
• Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Notes payable	(121,916)
Bonds payable	(6,930,600)
Compensated absences	(367,187)
Net OPEB obligation	<u>(1,226,906)</u>
<b>Net position of governmental activities</b>	<b>\$ <u>17,129,147</u></b>

The accompanying notes are an integral part of these financial statements.

SULLIVAN COUNTY, NEW HAMPSHIRE  
GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2014

	General Fund	Register of Deeds Fund	Grants Fund	Capital Projects Fund	Total Governmental Funds
<b>Revenues:</b>					
County taxes	\$ 13,885,603	-	-	-	\$ 13,885,603
Nursing home	13,749,100	-	-	-	13,749,100
Charges for services	270,727	316,053	84,616	-	671,396
Intergovernmental	99,660	-	574,437	22,500	696,597
Investment income	4,725	-	-	-	4,725
Miscellaneous	253,886	-	-	-	253,886
Total Revenues	<u>28,263,701</u>	<u>316,053</u>	<u>659,053</u>	<u>22,500</u>	<u>29,261,307</u>
<b>Expenditures:</b>					
Current:					
General government	1,744,731	333,623	-	-	2,078,354
Public safety	721,597	-	167,089	-	888,686
Corrections	3,878,564	-	223,205	-	4,101,769
Human services	5,299,419	-	320,722	-	5,620,141
Cooperative extension	328,017	-	-	-	328,017
Nursing home	13,570,905	-	-	-	13,570,905
Capital outlay	605,383	-	-	1,091,838	1,697,221
Debt service	824,050	-	-	1,715	825,765
Total Expenditures	<u>26,972,666</u>	<u>333,623</u>	<u>711,016</u>	<u>1,093,553</u>	<u>29,110,858</u>
Excess (deficiency) of revenues over expenditures	1,291,035	(17,570)	(51,963)	(1,071,053)	150,449
<b>Other Financing Sources (Uses):</b>					
Proceeds of bonds	-	-	-	2,800,000	2,800,000
Transfers:					
Register of Deeds	(30,621)	30,621	-	-	-
Capital Projects - Biomass project	(250,000)	-	-	250,000	-
Total Other Financing Sources (Uses)	<u>(280,621)</u>	<u>30,621</u>	<u>-</u>	<u>3,050,000</u>	<u>2,800,000</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	1,010,414	13,051	(51,963)	1,978,947	2,950,449
Fund Equity, at Beginning of Year	8,101,806	112,313	157,661	(1,301,658)	7,070,122
Fund Equity, at End of Year	<u>\$ 9,112,220</u>	<u>\$ 125,364</u>	<u>\$ 105,698</u>	<u>\$ 677,289</u>	<u>\$ 10,020,571</u>

The accompanying notes are an integral part of these financial statements.

SULLIVAN COUNTY, NEW HAMPSHIRE

RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2014

<b>Net changes in fund balances - Total governmental funds</b>	<b>\$ 2,950,449</b>
<ul style="list-style-type: none"> <li>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense: </li> </ul>	
Capital asset purchases, net	1,655,346
Depreciation	(910,150)
<ul style="list-style-type: none"> <li>The issuance of long-term debt (e.g., bonds and notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position: </li> </ul>	
Proceeds of bonds	(2,800,000)
Repayments of bonds payable	660,000
Repayments of notes payable	76,841
Amortization of bond premium	32,600
<ul style="list-style-type: none"> <li>In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. </li> </ul>	
	(50,039)
<ul style="list-style-type: none"> <li>Some expenses reported in the Statement of Activities, such as compensated absences and net OPEB obligation, do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. </li> </ul>	
Compensated absences	27,915
Net OPEB obligation	<u>(278,635)</u>
<b>Change in net position of governmental activities</b>	<b><u>\$ 1,364,327</u></b>

The accompanying notes are an integral part of these financial statements.

SULLIVAN COUNTY, NEW HAMPSHIRE

ALL BUDGETED FUNDS

STATEMENT OF REVENUES AND OTHER SOURCES, AND EXPENDITURES AND OTHER USES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original Budget	From Prior Years' Budgets	Final Budget		
<b>Revenues and Other Sources:</b>					
<b>General Fund:</b>					
County taxes	\$ 13,885,603	\$ -	\$ 13,885,603	\$ 13,885,603	\$ -
Nursing home	12,899,388	-	12,899,388	13,749,100	849,712
Charges for services	271,405	-	271,405	270,727	(678)
Intergovernmental	68,500	-	68,500	99,660	31,160
Investment income	12,500	-	12,500	4,725	(7,775)
Miscellaneous	228,709	-	228,709	253,886	25,177
<b>Other Funds:</b>					
Register of Deeds	340,000	-	340,000	316,053	(23,947)
Grants	433,517	-	433,517	659,053	225,536
Capital projects - Biomass project	-	-	-	22,500	22,500
<b>Other Financing Sources:</b>					
Use of fund balance - reduce taxes	1,090,500	18,493	1,108,993	1,108,993	-
Use of fund balance - purchase of land	298,000	-	298,000	298,000	-
Proceeds of bonds - Biomass project	1,500,000	-	1,500,000	1,500,000	-
<b>Total Revenues and Other Sources</b>	<b>31,028,122</b>	<b>18,493</b>	<b>31,046,615</b>	<b>32,168,300</b>	<b>1,121,685</b>
<b>Expenditures and Other Uses:</b>					
<b>General Fund:</b>					
General government	2,229,682	-	2,229,682	1,744,731	484,951
Public safety	743,686	-	743,686	721,597	22,089
Corrections	4,134,830	-	4,134,830	3,878,564	256,266
Human services	5,183,135	-	5,183,135	5,299,419	(116,284)
Cooperative extension	317,389	-	317,389	328,017	(10,628)
Nursing home	14,179,158	-	14,179,158	13,570,905	608,253
Capital outlay	938,500	18,493	956,993	605,383	351,610
Debt service	1,002,970	-	1,002,970	824,050	178,920
<b>Other Funds:</b>					
Register of Deeds	365,962	-	365,962	333,623	32,339
Grants	432,810	-	432,810	711,016	(278,206)
Capital projects - Biomass project	1,500,000	-	1,500,000	1,093,553	406,447
<b>Total Expenditures and Other Uses</b>	<b>31,028,122</b>	<b>18,493</b>	<b>31,046,615</b>	<b>29,110,858</b>	<b>1,935,757</b>
Excess of revenues and other financing sources (uses) over expenditures	\$ -	\$ -	\$ -	\$ 3,057,442	\$ 3,057,442

The accompanying notes are an integral part of these financial statements.

# SULLIVAN COUNTY, NEW HAMPSHIRE

## Notes to Financial Statements

### 1. Summary of Significant Accounting Policies

The accounting policies of Sullivan County, New Hampshire (the County) conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant policies:

#### A. Reporting Entity

The County is a municipal corporation governed by an elected Board of Commissioners. As required by generally accepted accounting principles, these financial statements present the County and applicable component units for which the County is considered to be financially accountable. In fiscal year 2014, it was determined that no entities met the required GASB 14 (as amended) criteria of component units.

#### B. Government-wide and Fund Financial Statements

##### Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

##### Fund Financial Statements

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Generally, all other revenue items are considered to be measurable and available only when cash is received by the County. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The County reports the following major governmental funds:

- The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the government, except those required to be accounted for in another fund.
- The *Register of Deeds Fund* is used to account for the proceeds of specific revenue sources and related expenditures that are associated with registry activities.
- The *Grants Fund* accounts for grant activity of the County.
- The *Capital Projects Fund* accounts for the activity of the biomass project.

*D. Cash and Short-Term Investments*

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash balances are invested to the extent available, and interest earnings are recognized in the general fund. Certain special revenue funds segregate cash, and investment earnings become a part of those funds.

Deposits with financial institutions consist primarily of demand deposits, certificates of deposits, and savings accounts. A cash and investment pool is maintained that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption "cash and short-term investments". The interest earnings attributable to each fund type are included under investment income.

*E. Interfund Receivables and Payables*

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due from/to other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

*F. Inventory*

Inventory is valued at cost using the first-in/first-out (FIFO) method.

*G. Capital Assets*

Capital assets, which include land, buildings and improvements, equipment and furnishings, vehicles, and construction in progress, are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20 - 40
Equipment and furnishings	5
Vehicles	5

*H. Compensated Absences*

It is the County’s policy to permit employees to accumulate earned but unused vacation pay benefits. All vested vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

*I. Long-Term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position.

*J. Fund Equity*

Fund equity at the governmental fund financial reporting level is classified as “fund balance”. Fund equity for all other reporting is classified as “net position”.

Fund Balance - Generally, fund balance represents the difference between the current assets and current liabilities. The County reserves those portions of fund balance that are legally segregated for a specific future use or which do not represent available, spendable resources and therefore, are not available for appropriation or expenditure. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods.

The County’s fund balance classification policies and procedures are as follows:

- 1) Nonspendable funds are either unspendable in the current form (i.e., inventory or prepaid items) or can never be spent.
- 2) Restricted funds are used solely for the purpose in which the fund was established. In the case of special revenue funds, these funds are created by statute or otherwise have external constraints on how the funds can be expended.

- 3) Committed funds are reported and expended as a result of motions passed by the highest decision making authority in the County (i.e., County Delegation).
- 4) Assigned funds are used for specific purposes as established by management. These funds, which include encumbrances, have been assigned for specific goods and services ordered but not yet paid for. This account also includes fund balance voted to be used in the subsequent fiscal year.
- 5) Unassigned funds are available to be spent in future periods.

When an expenditure is incurred that would qualify for payment from multiple fund balance types, the County uses the following order to liquidate liabilities: restricted, committed, assigned, and unassigned.

Net Position - Net position represents the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net assets are reported as unrestricted.

#### K. Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

## 2. Stewardship, Compliance and Accountability

### A. Budgetary Information

The County follows the following procedures establishing the budgetary data reflected in the basic financial statements:

- Prior to May 1<sup>st</sup>, the County departments submit to the County Commissioners a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.

- Hearings are conducted by the County Commissioners prior to the County’s budget meeting to discuss the proposed budget.
- The budget is legally enacted by the County Delegation prior to September 1<sup>st</sup>.
- Appropriations for certain projects and specific items not fully expended at the fiscal year-end are carried forward as continued appropriations to the new fiscal year in which they supplement the appropriations of that year.
- The budgets for all departments and operations of the County are prepared under the direction of the County Commissioners. Original appropriations are acted upon by the County Delegation vote.
- A copy of the budget is published in the Annual Report of Sullivan County, New Hampshire.

**B. Budgetary Basis**

The final appropriation appearing on the “Budget and Actual” page of the fund financial statements represents the final amended budget after all reserve fund transfers and supplemental appropriations.

**C. Budget/GAAP Reconciliation**

Budgetary data is based upon accounting principles that differ from generally accepted accounting principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations are presented in accordance with budgetary accounting principles to provide a meaningful comparison with budgetary data.

The following is a summary of adjustments made to the actual revenues and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting.

<u>All Budgeted Funds</u>	<u>Revenues and Other Financing Sources</u>	<u>Expenditures and Other Financing Uses</u>
Revenues/Expenditures (GAAP Basis)	\$ 29,261,307	\$ 29,110,858
Proceeds of bonds	<u>2,800,000</u>	<u>-</u>
Subtotal (GAAP Basis)	32,061,307	29,110,858
To record use of fund balance - reduce taxes	1,108,993	-
To record use of fund balance - purchase of land	298,000	-
To reverse non-budgeted bond proceeds	<u>(1,300,000)</u>	<u>-</u>
Budgetary Basis	<u>\$ 32,168,300</u>	<u>\$ 29,110,858</u>

**D. Deficit Fund Equity**

The following funds had deficits as of June 30, 2014:

<u>Fund Number</u>	<u>Fund Name</u>	<u>Deficit</u>
602	ARRA: ARLECCD CCC	\$ (9,425)
643	Sullivan County Juvenile Justice Planning Grant	(2,122)
646	Highway Safety	(1,014)
856	NHCF RN Flexible	(42)
863	2nd Chance JMI	(3,007)
907	Fed Forfeiture	(1)
937	CDBG Earle Bourden Centre	(254)
939	GSCAHR Phase III Part I	(20)
944	SC Intervention Program 2	(3,329)
948	Parents As Teachers	(3,283)
955	Public Health Network Coordinator	(1,877)
959	ASPR	(8)
961	PHN PHER Phase III	(15)
965	SCARDP + CSA + MHD	(17,213)
979	SCFBSATI	<u>(3,270)</u>
	Total	<u>\$ (44,880)</u>

The deficits in these funds will be eliminated through future revenues and transfers from other funds.

**3. Cash and Short-Term Investments**

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. RSA 29:1 limits "deposit in any one bank shall not at any time exceed the sum of its paid-up capital and surplus." The County does not have a deposit policy for custodial credit risk.

As of June 30, 2014, \$6,481,177 of the County's bank balance of \$10,349,810 was exposed to custodial credit risk as uninsured or uncollateralized.

**4. Allowance for Doubtful Accounts and Contractual Allowances**

The allowance for doubtful accounts for Nursing Home receivables has been estimated at \$272,000 at June 30, 2014. Nursing Home receivables are also reported net of contractual allowances.

## 5. Interfund Receivables/Payables

Although self-balancing funds are maintained, most transactions flow through the general fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. The following is an analysis of the June 30, 2014 balances in interfund receivable and payable accounts:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 67,738	\$ -
Special Revenue Funds:		
Grants Fund	<u>-</u>	<u>67,738</u>
Total	<u>\$ 67,738</u>	<u>\$ 67,738</u>

## 6. Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows (in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital assets, being depreciated:				
Buildings and improvements	\$ 22,354	\$ 3,805	\$ -	\$ 26,159
Equipment and furnishings	3,777	92	-	3,869
Vehicles	526	-	-	526
Total capital assets, being depreciated	<u>26,657</u>	<u>3,897</u>	<u>-</u>	<u>30,554</u>
Less accumulated depreciation for:				
Buildings and improvements	(10,399)	(737)	-	(11,136)
Equipment and furnishings	(3,475)	(104)	-	(3,579)
Vehicles	(294)	(69)	-	(363)
Total accumulated depreciation	<u>(14,168)</u>	<u>(910)</u>	<u>-</u>	<u>(15,078)</u>
Total capital assets, being depreciated, net	12,489	2,987	-	15,476
Capital assets, not being depreciated:				
Land	105	298	-	403
Construction in progress	2,543	3	(2,543)	3
Total capital assets, not being depreciated	<u>2,648</u>	<u>301</u>	<u>(2,543)</u>	<u>406</u>
Governmental activities capital assets, net	<u>\$ 15,137</u>	<u>\$ 3,288</u>	<u>\$ (2,543)</u>	<u>\$ 15,882</u>

Depreciation expense was charged to functions of the County as follows (in thousands):

Governmental Activities:	
General government	\$ 118
Public safety	30
Human services	1
Corrections	324
Cooperative extension	1
Nursing home	<u>436</u>
Total depreciation expense - governmental activities	<u>\$ 910</u>

**7. Accounts Payable**

Accounts payable represents 2014 expenditures paid after June 30, 2014.

**8. Anticipation Notes Payable**

The following summarizes activity in notes payable during fiscal year 2014:

	Balance Beginning of Year	<u>Advances</u>	<u>Repayments</u>	Balance End of Year
Bond anticipation	\$ <u>900,000</u>	\$ <u>-</u>	\$ <u>(900,000)</u>	\$ <u>-</u>
Total	\$ <u>900,000</u>	\$ <u>-</u>	\$ <u>(900,000)</u>	\$ <u>-</u>

These funds served as temporary financing for the County's biomass project which was bonded during fiscal year 2014.

**9. Long-Term Debt**

*A. General Obligation Bonds*

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. General obligation bonds currently outstanding are as follows:

<u>Governmental Activities:</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of 6/30/14</u>
Corrections facility upgrades	01/15/20	2.62%	\$ 3,935,000
Biomass project	08/22/28	2.50%	<u>2,800,000</u>
Total Governmental Activities			<u>\$ 6,735,000</u>

**B. Notes Payable**

The County has entered into agreements to provide funds for the acquisition of vehicles. At June 30, 2014 notes payable outstanding were as follows:

<u>Governmental Activities:</u>	<u>Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of 6/30/14</u>
Vehicles	2016	0.950%	\$ <u>121,916</u>
Total Governmental Activities			<u>\$ 121,916</u>

**C. Future Debt Service**

The annual payments to retire all general obligation long-term debt outstanding and notes payable as of June 30, 2014 are as follows:

<u>Bonds Payable</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 816,148	\$ 214,250	\$ 1,030,398
2016	815,051	190,546	1,005,597
2017	818,991	166,956	985,947
2018	823,210	136,538	959,748
2019	827,358	106,190	933,548
2020 - 2024	1,583,611	228,327	1,811,938
2025 - 2029	<u>1,050,631</u>	<u>80,105</u>	<u>1,130,736</u>
Total	<u>\$ 6,735,000</u>	<u>\$ 1,122,912</u>	<u>\$ 7,857,912</u>

<u>Notes Payable</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 60,959	\$ 1,158	\$ 62,117
2016	<u>60,957</u>	<u>579</u>	<u>61,536</u>
Total	<u>\$ 121,916</u>	<u>\$ 1,737</u>	<u>\$ 123,653</u>

The general fund has been designated as the source that will repay the long-term debt outstanding as of June 30, 2014.

**D. Changes in General Long-Term Liabilities**

During the year ended June 30, 2014, the following changes occurred in long-term liabilities (in thousands):

	Total Balance <u>7/1/13</u>	Additions	Reductions	Total Balance <u>6/30/14</u>	Less Current Portion	Equals Long-Term Portion <u>6/30/14</u>
<b><u>Governmental Activities</u></b>						
Bonds payable	\$ 4,595	\$ 2,800	\$ (660)	\$ 6,735	\$ (816)	\$ 5,919
Bond premium	228	-	(32)	196	(33)	163
Subtotal	4,823	2,800	(692)	6,931	(849)	6,082
Other:						
Notes payable	199	-	(77)	122	(61)	61
Compensated absences	395	-	(28)	367	(144)	223
Net OPEB obligation	948	415	(136)	1,227	-	1,227
Totals	<u>\$ 6,365</u>	<u>\$ 3,215</u>	<u>\$ (933)</u>	<u>\$ 8,647</u>	<u>\$ (1,054)</u>	<u>\$ 7,593</u>

**10. Restricted Net Position**

The accompanying entity-wide financial statements report restricted net position when external constraints from grantors or contributors are placed on net position.

**11. Fund Balances**

The following is a summary of fund balances at June 30, 2014:

	General <u>Fund</u>	Register of Deeds <u>Fund</u>	Grants <u>Fund</u>	Capital Projects <u>Fund</u>	Total Governmental <u>Funds</u>
Nonspendable:					
Prepaid expenses	\$ 215,263	\$ -	\$ -	\$ -	\$ 215,263
Inventory	45,603	-	-	-	45,603
Total Nonspendable	260,866	-	-	-	260,866
Restricted:					
Nursing home trust fund	10,758	-	-	-	10,758
Deeds surcharge account	-	125,364	-	-	125,364
Unexpended grant funds	-	-	150,578	-	150,578
Unexpended capital project funds	-	-	-	677,289	677,289
Total Restricted	10,758	125,364	150,578	677,289	963,989

(continued)

(continued)

	<u>General Fund</u>	<u>Register of Deeds Fund</u>	<u>Grants Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Committed:					
Capital reserve fund	<u>480,648</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>480,648</u>
Total Committed	480,648	-	-	-	480,648
Assigned:					
Use of fund balance in subsequent year budget	809,100	-	-	-	809,100
Encumbrances	15,387	-	-	-	15,387
Designated for future projects	<u>646,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>646,700</u>
Total Assigned	1,471,187	-	-	-	1,471,187
Unassigned:					
Grant funds in deficit	-	-	(44,880)	-	(44,880)
Remaining fund balance	<u>6,888,761</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,888,761</u>
Total Unassigned	<u>6,888,761</u>	<u>-</u>	<u>(44,880)</u>	<u>-</u>	<u>6,843,881</u>
Total Fund Balances	<u>\$ 9,112,220</u>	<u>\$ 125,364</u>	<u>\$ 105,698</u>	<u>\$ 677,289</u>	<u>\$ 10,020,571</u>

## **12. Commitments and Contingencies**

Outstanding Legal Issues - There are several pending legal issues in which the County is involved. The County's management is of the opinion that the potential future settlement of such claims would not materially affect its financial statements taken as a whole.

Grants - Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

## **13. Post-Employment Healthcare Insurance Benefits**

GASB Statement 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, requires governments to account for other post-employment benefits (OPEB), on an accrual basis rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially required contribution as an expense on the Statement of Activities when a future retiree earns their post-employment benefits, rather than when they use their post-employment benefit. To the extent that an entity does not fund their actuarially required contribution, a post-employment benefit liability is recognized on the Statement of Net Position over time.

A. Plan Description

The County provides post-employment healthcare benefits for certain retirees.

B. Benefits Provided

The County provides medical benefits to its eligible retirees.

C. Funding Policy

Eligible retirees and their spouses contribute 100% of premium rates for the medical plan selected.

D. Annual OPEB Costs and Net OPEB Obligation

The County's fiscal year 2014 annual OPEB expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost per year and amortize the unfunded actuarial liability over a period of thirty years. The following table shows the components of the County's annual OPEB cost for the year ending June 30, 2014, the amount actually contributed to the plan, and the change in the County's net OPEB obligation based on an actuarial valuation as of July 1, 2012.

Annual Required Contribution (ARC)	\$ 431,514
Interest on net OPEB obligation	37,931
Adjustment to ARC	<u>(54,845)</u>
Annual OPEB cost	414,600
Contributions made	<u>135,965</u>
Increase in net OPEB obligation	278,635
Net OPEB obligation - beginning of year	<u>948,271</u>
Net OPEB obligation - end of year	<u>\$ 1,226,906</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2014	\$414,600	33%	\$1,226,906
2013	\$396,788	28%	\$ 948,271
2012	\$436,565	23%	\$ 661,759
2011	\$415,329	21%	\$ 327,330

**E. Funded Status and Funding Progress**

The funded status of the plan as of July 1, 2012, the date of the most recent actuarial valuation was as follows:

Actuarial accrued liability (AAL)	\$ 3,153,546
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 3,153,546</u>
Funded ratio (actuarial value of plan assets/AAL)	<u>0%</u>
Covered payroll (active plan members)	<u>\$ 9,133,477</u>
UAAL as a percentage of covered payroll	<u>35%</u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amount and assumptions about the probability of occurrence of events far into the future. Examples included assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the Notes to Financial Statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**F. Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the plan as understood by the County and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the County and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2012 actuarial valuation the projected unit credit method was used. The actuarial value of assets was not determined as the County has not advanced funded its obligation. The actuarial assumptions included a 4.0% investment rate of return and an initial annual healthcare cost trend rate of 9%, which decreases to a 5% long-term rate for all healthcare benefits after five years. The amortization costs for the initial UAAL is a level dollar amount over 30 years on an open amortization period for pay-as-you-go. This has been calculated at a rate of 4.0% pay-as-you-go.

#### **14. Pension Plan**

The County follows the provisions of GASB Statement No. 27, *Accounting for Pensions for State and Local Government Employees*, (as amended by GASB 50) with respect to the employees' retirement funds.

##### *A. Plan Description*

The County contributes to the New Hampshire Retirement System (NHRS), a cost-sharing multiple-employer contributory defined benefit pension plan. NHRS provides service, disability and death, and vested retirement benefits to plan members and beneficiaries. NHRS is administered by a 13-member Board of Trustees. The Board of Trustees formulates administrative policies and procedures and authorizes benefit payments to members and their beneficiaries. The NHRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New Hampshire Retirement System, 54 Regional Drive, Concord, NH 03301-8507.

##### *B. Funding Policy*

Sheriff's deputies and correctional officers plan members and all other employee plan members are required to contribute 11.55% and 7%, respectively, of their annual covered salary and the County is required to contribute at an actuarially determined rate. The current rate for sheriff's deputies and correctional officers is 25.30% of annual covered payroll. The current rate for all other employees is 10.77% of annual covered payroll. The contribution requirements of plan members are fixed by statute. The County's contributions to NHRS for the years ended June 30, 2014, 2013, and 2012 were \$1,140,158, \$906,614, and \$904,004, respectively, equal to the required contributions for each year.

The payroll for employees covered by the System for the year ended June 30, 2014 was \$8,297,704. Contribution requirements for the year ended June 30, 2014, were as follows:

County contributions	\$ 1,140,158
Employees' contributions	<u>663,675</u>
Total	<u>\$ 1,803,833</u>

**15. Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. There were no significant reductions in insurance coverage from the previous year and have been no material settlements in excess of coverage in any of the past three fiscal years.

**16. Implementation of New GASB Standards**

The GASB has issued Statement 68, *Accounting and Financial Reporting for Pensions*, which is required to be implemented in fiscal year 2015. Management's current assessment is that this pronouncement will have a significant impact on the County's financial statements by recognizing as a liability and expense, the County's applicable portion of the New Hampshire Retirement System's actuarially accrued liability.

**SULLIVAN COUNTY, NEW HAMPSHIRE  
SCHEDULE OF FUNDING PROGRESS  
REQUIRED SUPPLEMENTARY INFORMATION**

**June 30, 2014**

**(Unaudited)**

**Other Post-Employment Benefits**

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Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percent- age of Covered Payroll [(b-a)/c]
7/1/2010	\$ -	\$ 2,501,694	\$ 2,501,694	0%	\$ 8,273,545	30%
7/1/2012	\$ -	\$ 3,153,546	\$ 3,153,546	0%	\$ 9,133,477	35%

See Independent Auditors' Report.